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West Europe Report

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FRG PRESIDENT, TURKISH MINISTER ON EEC RELATIONS

Istanbul CUMHURİYET in Turkish 31 May 86 p 16

[Excerpts] FRG President Richard von Weizsäcker, who held a briefing session exclusively for German journalists at the Istanbul War College where he was staying, said with regard to his impressions on his visit to Turkey: "Turkey is about to make a mistake with regard to the EEC."

Stating that "the Turks' approach to the EEC issue is to take the second step before they take the first," Weizsäcker said: "If Turkey submits its application for membership in a haste and the application is turned down, there would be a major crisis between Europe and Turkey."

While the visiting president proposed that Turkey maintain its current status for a while longer, Minister of State Mesut Yılmaz who responded to the German journalists' questions about midnight yesterday said: "If Turkey has a military place in Europe, it also has an economic place."

Weizsäcker said the following with regard to Turkey-EEC relations:

"Turkey is about to make a mistake. We are saying: Do not do it, it will have bad results. The Turks' approach is to take the second step before they take the first. We are saying: Maintain your current status in the EEC, improve your domestic situation and your economy before you become a full member and, in the meantime, develop your relations with the EEC so that when you apply for full membership it is unlikely that the application will be turned down. Now if an application is submitted in a haste and the application is turned down, there would be a major crisis between Europe and Turkey."

Yılmaz' Press Conference

Minister of State Mesut Yılmaz met with the same group of journalists in the Sheraton Hotel at around midnight yesterday after the German president's briefing. Yılmaz began his talk with Turkish-EEC relations. In his talk, made in German, Yılmaz said:

"Full membership in the EEC is Turkey's most important and indispensable objective. All parties in Turkey, except fundamentalist and extremist groups, are in agreement over this issue. Opposing full membership for Turkey would only benefit divisive anti-Turkish elements outside Turkey and extremist

fundamentalist groups. They want Turkey to break away from Europe. We will soon begin a campaign to muster support for full Turkish membership in the EEC in FRG, Britain, France and Italy."

In response to a question on when this is going to happen, Yilmaz said: "In the early 1990's." When asked whether it is likely that an application for full membership will be filed this year, Yilmaz replied: "Nothing is impossible. But first we will ask all 12 members of the EEC, and we will submit our application if we get positive answers. One of our most important struggles in Europe is to fight the image of a veiled fascist government in Turkey. We cannot promote ourselves adequately because we have a serious media coverage shortage in Turkey. For this reason, I would like to emphasize at the special request of the FRG Foreign Minister that we will soon bring the working conditions of foreign journalists who want to come to Turkey up to the same level as those in Europe. We will end the requirement for permission to photograph in Turkey for foreign TV crews. For us, this is a difficult decision."

Noting that German tourists who come to Turkey have observed that Turks in Turkey are not as religious and nationalist as those in the FRG, Yilmaz said:

"What is important for us is whether Turkey has a place in Europe. If it has a military place, then it has a political and economic place. And that means full membership in the EEC. We no longer want to be told that we are Europeans militarily and that we are protecting Europe while we are excluded economically and politically. For that reason we will apply for full membership in the EEC as soon as possible. In addition, do not worry that there will be a Turkish flood into Germany. For Turks working abroad is like a second military service. They go and they come back. In the FRG, things developed differently, but that will not be repeated again. If you help our development and you do not exclude us, this problem will solve itself."

9588

CSO: 3554/103

FRG URGED TO EASE TRAVEL, STAY REQUIREMENTS FOR TURKS

Istanbul MILLIYET in Turkish 31 May 86 p 9

["Political Pot" column by Orsan Oymen: "Human Rights and Cevdet's Right"]

[Text] FRG President Richard von Weizsaecker left Turkey with positive impressions as the first Western head of state who visited this country officially since 12 September [1980].

As he was leaving, he evoked memories of a meaningful milestone in Turkish-German friendship.

The ceremony held at the Istanbul University yesterday commemorated the bridge of freedom extended by Ataturk's Turkey to German scholars during the Hitler period when human rights were trodden upon.

In 1933, the rulers of Germany did not allow their own citizens, much less foreigners, to live in their country because their thoughts, religious beliefs or the shape of their skulls were considered unacceptable. Ataturk's Turkey opened the classrooms of Turkish universities to a group of valuable scholars who were condemned to be exterminated in concentration camps.

Thus the first political refugees came from Germany to Turkey. In the half-century that has elapsed much water has flown under the bridge of friendship.

This time, economic refugees began to flow from Turkey to Germany. After the importation of labor was officially ended, the door that was opened in the beginning of 1980 was closed with the padlock of "visas." The reason given for this "visa" system--which is not compatible with either Council of Europe agreements or with "traditional friendship" ties--has a political label, but it is linked to the abnormal numbers of mainly economic "refugees."

It is true that in the first few months of 1980, more than 50,000 Turkish citizens tried this path. But statistics for the 5 years that have elapsed show that this reason has completely disappeared. However, even though the cause has disappeared, the "visa" stays with all its permanence. We hope that the senior guests who came from Germany saw the condition of the visa office in Ankara.

Turks in Germany know that President Weizsaecker is a Turkish friend and remember how he fought against anti-foreignerism when he was the Mayor of West Berlin.

Consequently, there was a no resentment at the press conference he held before leaving Turkey when he said about Turks overseas:

"Our goal is to live together with the Turks. Our objective is to allow both sides to live together without losing their identity and character."

Unfortunately, it is quite hard to find this good will of the President in the practicing cadres of the local executive organs.

Besides the obstacles encountered in implementation of the visa system, the different ways of implementing laws and regulations in different foreign police departments assume proportions that sometimes resemble the practices of 1933. Here is the latest example reported in the German press while Weizsaecker was in Turkey.

Two-three lines from the letter written by 16-year-old Cevdet in Istanbul to his father in the FRG, Ahmet Gencer:

"My dear father, I am very desperate. After staying in prison in Istanbul for two days, I explained the situation to the doctors for a report. The doctors told me: 'A state which does not believe in the passport, identity card and diploma of the Turkish republic would not believe in our report at all.' You find a way, or I will commit suicide here."

Cevdet, 16, is the son of Ahmet Gencer who has worked in the FRG for the last 13 years. He went to elementary school in the FRG and returned to his village in Turkey for a while. Later, he was reunited with his family in the FRG. When he became 16 he was required to get a permit from the Aliens Police. His father filed the necessary application. The Aliens Police looked at Cevdet's picture and said: "This boy's age appears to be more than 16." They accepted neither the boy's passport nor his identity card nor his school records as proof of his age. The police took Cevdet from his school and subjected him to a bone examination at a hospital. When the doctor's report concluded that "he is older than 16," he was deported from the country--without even being allowed to see his family. He was first sent to prison and then flown out of the country.

Yes, Mr Weizsaecker says:

"Our goal is to live together with the Turks..."

And young Cevdet's goal is to live with his father and mother. The times when a person's way of living was determined by measuring his skull or bones are long gone, but unfortunately thick heads are still encountered.

PAPER VIEWS CENTER PARTY CONGRESS, VAYRYNEN CANDIDACY

Helsinki HUFVUDSTADSBLADET in Swedish 17 Jun 86 p 2

[Editorial by Bjorn Mansson: "Wants to Be There as Early as '88"]

[Text] Most of what happened at the Center Party congress can be related to the presidential election in 1988, states Bjorn Mansson in a review of the outcome.

With a slight distortion of Runeberg's "Sven Dufva," one could say--without making any other comparisons--that Paavo Vayrynen "wants to be there as early as '88, and won't be old by then."

More precisely, at the time of the presidential election Vayrynen will be 41. Many will think that is far too young an age, but the fact is that the second president of the republic, Lauri Kristian Relander--a party comrade of Vayrynen's, by the way--was only 3 months older when he was elected! Hence, this is Paavo Vayrynen's last chance to become the nation's youngest head of state ever.

The parallels with the simple-minded, although good-hearted, Sven Dufva now become considerably skewed. But as late as a few years ago there was perhaps some reason to say about Vayrynen as well: "Was pious, happy and always willing, far more than many a wise man. And could be made to do all, but did all backwards."

The adventure of the daily expense allowance and the well-known cottage in Kemi county, Vayrynen-related expressions, such as "having slept on the matter overnight," and the rumor of being a ruthless power politician and career man are not so easily forgotten. Vayrynen is still no mass media favorite--which is so clearly evident from the unnecessarily ironic style in which for instance the country's largest newspaper and Finnish television news reported from the Center congress in Lappeenranta last weekend.

Those who believe in Paavo Vayrynen, on the other hand, hope that he, in order once more to quote Runeberg, "has shaped up and learn to drill..."

It cannot be helped that most of what took place at this year's Center Party congress can be related to the presidential election in 1988. The fact that the congress was turned into the political prelude not only to the parliamentary elections next spring but also to the presidential election a year later is natural, however, since the next congress will not be held until the summer of 1988.

The expectations of the Center people before the two elections seem to be extremely high. The nomination of the presidential candidate became a tribute to Paavo Vayrynen and a powerful manifestation of willpower. Vayrynen is apparently perceived as a new Kekkonen, and he himself made no secret of who his political master is. In the program declaration for 1988 which at this stage is very meager, Vayrynen made a vow regarding foreign policy in the name of Kekkonen--n.b. not in the name of Paasikivi or Kekkonen. And he quoted Urho Kekkonen after the latter had been nominated presidential candidate in 1949--without regard for the fact that the 1950 election later turned out to have been only a dress rehearsal for Kekkonen before the 1956 battle.

Now, Vayrynen determinedly rejects all talk about a dress rehearsal (Kekkonen certainly did so in 1950 as well), and maintains that the election will be genuine and that he himself has chances to win. Vayrynen is setting his hopes partly to the political center field--in an extremely broad sense, as it is turning out--, partly to the entire non-socialist, bourgeois camp.

As for the other middle parties, Vayrynen has publicly and openly admitted his tactic that these parties, with the aid of their own presidential candidates, should capture as many electors as possible. Vayrynen then seems to assume that in the decisive round they will back the Center Party candidate, that is to say himself.

Similarly, it seems to be assumed that when it comes down to the wire the Coalition Party will also prefer a non-socialist candidate (read: Vayrynen) over a leftist man (read: Koivisto).

However, this strategy is founded on some preconditions which may not necessarily be fulfilled. First, the model is founded on the thought that no candidate alone will achieve a majority in the first round of the election (the direct popular election or, if the election reform does not go through, the first electoral round), and that the election is thus decided by the assembled electors. In this context it should be remembered that the Social Democratic-dominated election coalition for Mauno Koivisto the last time received as many as 43 percent of the votes and that no popularity poll since then has given him a support of less than 50 percent.

Second, the model presumes that the electors of the other middle parties will more or less completely rally around Vayrynen. This is by no means a foregone conclusion, above all against the background of Swedish People's Party chairman Taxell's fresh remarks. And, third, the support of the conservatives is needed, which in turn should presume in practice that Vayrynen will beat

the Kokoomus candidate--presumably Harri Holkeri (who most recently beat out Center candidate Virolainen) in the popular election.

It is not at all impossible that this will happen, in view of how quiet it has been around Holkeri in recent years, but it is far from certain.

In order to improve the starting position for 1988 the Center Party already in the parliamentary election wants to rally the now divided political center and distance itself from the Social Democrats as the largest bloc. This in itself is a praiseworthy, not to say desirable, goal. The question is, however, what political price is one willing to pay for this mathematical result? As long as it involves the three parties in the traditional center coalition--the Center and the two People's parties--all is well and good.

But critical voices have also, even within the Center, been raised against the attempts at an ideological dilution of the centrist concept in favor of a purely power-political constellation. There have already been overtures to the Christians--and there was a positive reply--and now both party secretary Kaariainen and Vayrynen himself have started to approach the Greens and even the Rural Party. Of course there are some ideological goals in common with the Greens, but so far it has been impossible to nail down their political profile. And the Rural Party is a "middle party" mostly in the sense that it is neither to the right nor to the left. Is that enough? Shouldn't a small amount of for example liberalism be presumed as well?

It is obvious that Paavo Vayrynen's thoughts about the government base are intended to reinforce his own positions before 1988. He argued in favor of "a new popular front under center leadership," consisting of the parties which do well in the election. If these, as Vayrynen believes, will be the Social Democrats, the Center Party and Kokoomus, it is clear that such a government base would correspond with the wishes of most of the popular opinion.

It is another matter that so far the Social Democratic Party, at least, is rejecting cooperation with the right. Then there will not be a "new popular front" (a strange concept in the context, by the way), but in practice the choice will be between a continuation of the reddish crowd and a non-socialist government base. If the Social Democrats accept Vayrynen as prime minister--which Sorsa has indicated--it appears likely that the Center Party would prefer the reddish crowd. This is indicated by what is known about rank and file opinion within the party, regardless of the fact that the Social Democrats are now trying to maintain that the Center Party has veered right.

Finally, Paavo Vayrynen's critical evaluations about Prime Minister Sorsa's foreign policy positions recently must also be interpreted as an element in a beginning presidential election campaign. Here, Vayrynen apparently wants to appear as the supporter of a traditional Finnish neutrality policy, against Sorsa's ideas of innovations and activity.

If the election in the winter of 1988 goes as Vayrynen now plans, the Center Party will have to choose a new party leader as early as the following summer.

Already, party secretary Seppo Kaariainen seems to be responsible for many of the policy outlines.

Kaariainen is not likely to have any competition from the three deputy party leaders, even if the vice chairman election in Lappeenranta confirmed that there has been a change of generation in the Center Party. Sixty-year-old Ahti Pekkala and Marjatta Vaananen were replaced by 46-year-old Juha Pentikainen and just 33-year-old Hannele Pokka, while 37-year-old Martti Pura was reelected. Vayrynen himself is 39, Kaariainen 38 and group chairman Kauko Juhantalo 44. All the party's ministers except Veikko Pihlajamäki are of the same age. The party has thus been completely taken over by the generation of 30- and 40-year-olds, who are now trying to get their own representative elected to the nation's highest office.

If this does not succeed in 1988, chances are even greater 6 years later. Someone like Kalevi Sorsa, for example, will then have to go directly to the opening performance, without having had the advantage of a dress rehearsal.

As far as the Center Party is concerned, it has now convincingly demonstrated that it has overcome the dishonor it experienced when it lost its position as presidential party in 1981. It is now firmly resolved to regain it.

11949

CSO: 3650/249

CONSERVATIVE PAPER ON COLLAPSE OF NONSOCIALIST COOPERATION

Oslo AFTENPOSTEN in Norwegian 12 Jun 86 p 2

[Editorial: "The Supporting Parties"]

[Text] With their proposal to increase the deduction for the national insurance plan, the Christian People's and the Center Parties have cut a hole in five years of nonsocialist tax policy and in the reliability of continued nonsocialist cooperation. The effect of the proposal--in which the Labor Party has willingly joined--is that the tax burden will increase and that the Harlem Brundtland government will remain in power.

Attempts at maintaining that this is nothing but a routine increase in tax revenue are useless and should be halted. The deduction for the national insurance plan is a tax, that is to say, money which is taken from the individual and redistributed by the public sector. It is meaningless for the center parties to maintain that taxes are standing still when people notice that the tax burden is increasing.

But higher taxation of income breaks decisively with a main point in the policy which was pursued by the Willoch government and in which the center parties joined, at their own request, beginning in 1983. That the economic situation has now become more difficult (after the fall in oil prices) is naturally no argument for raising taxes either. However, the fall in income is an argument for spending less money. Meanwhile, to bring public expenditures down, the Christian People's and Center Parties seem to be as disinclined--or as ready--as the Labor Party. That is why these parties want to increase the deduction for the national insurance plan, to finance over-spending which can no longer be covered up. They are doing so with a form of tax increase which affects everyone and affects them directly.

It was assumed by some that the Labor Party government could only survive so long as it approached Parliament with caution, that is to say, did not put forward proposals which struck at basic points of the nonsocialist policy which had been pursued up til the change of government. Others, such as AFTENPOSTEN, have been troubled by the roads the center parties would pretend to take when they were no longer bound by the responsibility of nonsocialist government. Unfortunately our anxiety has grown faster than we feared. The center parties appear to be behaving as they now are because they lack a strong willingness for the responsibility of government and because they

really do put a higher priority on higher taxes than on necessary cuts. When they are out of the government they feel free to give in to such impulses.

For those who are working for greater support for the Conservative Party, this will undoubtedly be the stuff of which progress is made. The Conservative Party must perforce become stronger when nonsocialist voters have no other place to turn. But for nonsocialist cooperation, and for strength in non-socialist policy, this is a hard step backwards.

12789/12951

CSO: 3639/125

HOLST, STRAY DIFFER ON NEED FOR RESULTS OF NATO 'FOOTNOTE'

Oslo AFTENPOSTEN in Norwegian 14 Jun 86 p 3

[Interview of Defense Minister Johan Jorgen Holst and former Foreign Minister Sverre Stray by Lars Hellber: "Footnote Last Resort, Holst Affirms--NATO Unity Put to Test"; first paragraph is introduction]

[Text] NATO unity is of decisive significance, not the least for Norway. Defense Minister Johan Jorgen Holst agrees with former Foreign Minister Sverre Stray that everything must be done so as to appear united and avoid footnotes and reservations. But this is also all they agree about. "The Norwegian footnote in Brussels weakened the alliance, was unnecessary and must remain a one-time only phenomenon," Stray says.

Holst continues to maintain that at the last defense ministers' meeting he had to express reservations concerning the United States' position on strategic defense initiative (SDI) negotiations. AFTENPOSTEN brought them together to spar about the danger of splitting the alliance by emphasizing special positions.

Labor Party's Responsibility

Stray has no doubt that the Labor Party, by its drifting [away from its former position] must bear the responsibility for shattering the broad consensus on security policy. The Willoch government took even further the line which had been put together as a result of broad agreement by earlier governments. The break resulted when the Labor Party, which when it was in government took an active part in putting together NATO's 1979 two-part decision about positioning mid-range missiles in Europe, was not willing to be around to follow it up, Stray says.

[Question] Then you would not be willing to state that Holst's footnote was a necessary part of trying to tidy up the mess you and your colleagues left behind?

[Answer] "I disagree completely over this. Besides, the footnote was totally unnecessary and it weakens the alliance's negotiating position and Norway's influence within NATO's organs. The Norwegian worry about an arms race in space as a result of the United States' strategic defense initiative (SDI) was well known to our allies," says Stray.

Holst, who played a significant part in putting NATO's two-part decision together, and is responsible for Norway's first and (so far) only footnote, opts for another way of looking at the matter.

New Assumptions

[Answer] "First let me say that the two-part decision about negotiations preceding the eventual positioning of new Western missiles was a correct and necessary one--even if it was difficult. But the assumptions changed in midstream. A new administration in the United States refused to ratify the SALT 2 agreement. In the meantime there was great fear about the missing balance between the negotiations and the positioning parts of the two-part decision. The lack of consultations at important points along the way also played a part."

"As far as our reservation concerning the communique from the defense ministers' meeting is concerned, it was necessary. I did not go to Brussels wanting to formulate a footnote, but it proved to be impossible to change one iota in the draft of the communique regarding space arms so we could not give our endorsement," Holst says. "We presented a number of suggestions for wordings and we tried to get an explanatory interpretation included. This did not work, so we had to resort to a reservation."

[Question] Then you are clearly not afraid of what will happen to NATO unity and thereby to our common defense capabilities if it becomes the rule that the meetings end in footnotes and reservations from one or more of the member countries?

[Answer] "We have to be able to see this in a broader perspective. SDI is one of many defense programs. The alliance stands united on the majority of the programs. It is necessary and important for the alliance to show unity, but it is also in everyone's interest to see to it that we have the broadest possible political support in the member countries."

[Question] Do you doubt that Moscow will interpret the footnote as a confirmation that the alliance is split and as an encouragement to raise harder counterdemands at the ongoing arms control and disarmament talks?

[Answer] "I think that exaggerates Norwegian influence. It is not news to the Soviet Union that there are divided opinions within NATO and that Norway does not support SDI."

No Doubt

[Answer] Stray: "There can be no doubt that Soviet interests will be served if Norway's behavior at the last defense ministers' meeting should become standard operating procedure. It is a way of working which must clearly produce regrettable consequences for the talks. Holst's footnote contributed towards creating an impression of a fragile alliance."

"Moreover SDI as an arms system was not a part of the communique. The defense ministers were content to express their support of the American negotiating

position in Geneva. Within the alliance we are facing a break with well established ways of working. We cannot pound and pound away to achieve communiques which cover our own positions 100 percent. If all the member countries behaved this way the alliance would break up."

Last Resort

[Answer] Holst: "I agree. But neither can we sign communique which stand in direct opposition to what we stand for. We had to express a reservation against general support of the American position on space weapons. This is what the matter was about. The footnote was the last resort in a situation in which the Americans did not want to approve wordings on which the NATO foreign ministers were in agreement, for example in their communique from last December."

[Question] Doesn't it say something about the new Norwegian government's lack of reliability that this approach did not succeed?

[Answer] "There is no basis for forming a conclusion of that sort," says Holst. "We are, however, dealing with a form of inertia, an unwillingness to change wordings. We hope and believe that we can achieve unifying formulations at the next juncture. This time we had no other choice."

Tried

For his part, Stray has quite a different view:

[Answer:] "They've tried to defend the footnote by saying they preferred one text to another. The foreign ministers' meeting, in which I participated, chose wordings which were a bit different from those of the defense ministers, but I cannot see that one is essentially different from another."

"They're being perhaps a bit too worried about new wordings. But the context is that such changes are usually given the wrong interpretation in the East. This too is a point which the present Norwegian government must weigh as it considers its own behavior," Stray says.

[Question] Are you satisfied with the influence the past government, as compared to the new government, had with out closest allies?

Unity

[Answer] "In general terms, for a small country it is a matter of strengthening unity within the alliance. Reliability is necessary in order to be able to exercise influence. However, if you act in such a way that your partners get the impression that it is more important for you to guard yourself in domestic politics than it is to forge a common line within the alliance, then you throw your influence out the window," Stray says.

[Answer] Holst: "I would suggest that it was not just a question of liking or disliking the communiques' language. An important matter was at stake:

the position on space weapons. Let me also emphasize that I find that NATO is weakened if the defense and foreign ministers say different things about negotiations with the Soviet Union. The defense ministers ought to line up behind their foreign ministers. NATO will also be weakened if the member countries are dragged in as parties to the tug of war in Washington. And here is my last point:

As far as we have been concerned, there has never been any wish to use NATO meetings to make points back home and we have naturally not done so. Moreover it is important for us to act as the representatives of what we understand to be the majority view in Norway where space weapons are concerned. The communique was a general support of the United States' positions, which, among other things, include an unwillingness to make SDI an item for negotiation," Holst says. But Stray protest energetically:

Weakening

[Answer] "This rationale is different from the one you gave earlier. First it was said that Norway had to express its reservation because we are against space weapons. Now the reservation is being based on the fact that we disagree with the Americans' position on negotiations on space weapons, and so the fear that the alliance's negotiating position is being weakened becomes even more justified.

"As far as the talks in Geneva are concerned, Norway may have participated more actively than any other European NATO country in the preparatory discussions. The Willoch government advised the Americans to press on even further in this area than they had been prepared to heretofor. But the Norwegian labor movement's rule about open debate within and full unity without is the only way for the Western defense alliance to proceed," says Stray.

Common Goal

[Answer] "But," Holst interjects, "that was our goal. Our reservation applies to the entire position on space weapons." He rejects Stray's assertion that Norway chose to hammer away so it could achieve a communique that was entirely to its liking.

[Answer] "The whole thing was really about extremely fine shades of meaning, which could not form the basis of a footnote. Even Denmark, which for domestic political reasons has routinely made use of footnotes, saw no need to express a reservation. Norway's behavior is set in relief by the fact that Holst's Danish colleague felt compelled to accept a footnote for which he did not see any real basis.

Consistency

[Answer] Holst: "Denmark is still able to hold opinions of its own. There must be a certain consistency in what one says and what one believes. We

can't protest to the entire world and then go along. But the Labor Party's course on security policy has not changed, and Norwegian footnotes will not become the rule. Our aim is to contribute towards making a policy which can unite the alliance's governments," Holst affirms. As he leaves, he hears Stray's parting comment that "no one will be happier than me if Holst's behavior in Brussels turns out to be a one-time only phenomenon."

12789/12951

CSO: 3639/125

CHRISTIAN PARTY ADOPTING TOUGHER IDEOLOGY IN OPPOSITION

Oslo AFTENPOSTEN in Norwegian 16 Jun 86 p 5

[Article by Alf B. Godager: "Relationship Between Vision and Reality Being Debated Within Christian People's Party: Ideological Self-Scrutiny"; first paragraph is introduction]

[Text] An ideological self-scrutiny is currently underway within the Christian People's Party. Against a background of three years' participation in the government, a lost fight over abortion and declining support in the public opinion polls, the need to look more closely at the relationship between vision and reality seems urgent. Ideology and strategy were discussed at a closed party conference in Oslo held in connection with the central and national executive meetings of the past week.

The wisdom from three years' participation in the government appears clear within the Christian People's Party: the next time the party takes part in a nonsocialist cooperative government, the party will work even harder to point the government in a direction which the party understands to be the political center. In those cases where the Christian People's Party does not attain its goal, people will get a clear message as to what the party's primary positions are and the reasons for entering into a compromise. The acceptable compromise will need to satisfy two conditions: it is not to be in conflict with the party's principles and it will clearly move the matter at hand a step in the right direction.

Buried

The hope that participation in the government would almost automatically carry increased support with it was palpable within the Christian People's Party before the Willoch government was shifted around. After three years in the government without increased support, the hope now seems to be that cooperation will produce a gain, which was well on its way toward being buried for good. As to what support would have been if the Christian People's Party had not gone along, there are many conflicting opinions.

It is not difficult to detect irritation within the Christian People's Party over its relationship to the Conservative Party after the government crisis.

The Conservative Party is blamed for what is understood to be a larger degree of detachment. Within the Christian People's Party, many believe that the Conservative Party has opted for an irresponsible line by not advocating unpopular tax hikes. In influential circles within the party, no attempt is made to hide the fact that what is understood to be the Conservative Party's strategy is a debit against future cooperation.

Formidable

The Christian People's Party's requirement of itself is formidable: ideology will permeate all practical policy. Everyone realizes that compromises are necessary. This is all the truer in our political system in which the parliamentary form of government means that a political majority must always be created. No member of Parliament can abstain when a vote is to be taken. But compromises must in addition be constructive.

The Party Above

In some quarters in the Christian People's Party, the task of being the salt in politics is given much weight. And then you think of the terms of the Sermon on the Mount: "Ye are the salt of the earth: but if the salt have lost his savor, wherewith shall it be salted?" This biblical requirement of the Christian community means, in political terms, that the Christian People's Party should maintain the ideal claim of being a party above and outside political blocs, it is said. By extension of such a view, it follows that the party cannot participate in cooperative government either. Instead the party will count on the penetrating force of ideas.

This line was prevalent in the Christian People's Party before the first nonsocialist cooperative government under John Lyng's leadership. Today such a line is rejected as unrealistic. But in prominent quarters of the party there are also those who hold that the Christian People's Party may once again have to choose such a background role.

Away From the Conservative Party?

The consequence of the fact that Christian ideas such as brotherhood and economic justice will determine the Christian People's Party's practical policy must be that a more relaxed view will be taken of who the current cooperative partners are, socialist or nonsocialist parties, it is said. In the long term this means that it would not be out of the question for the Labor Party as well to be an interesting cooperative partner. But as matters currently stand, one thing is obvious: the Christian People's Party went into the election on continued nonsocialist government cooperation.

This, however, does not, it is emphasized, signify an automatic readoption of a three-party government. The dream of a so-called center alternative--the Christian People's Party and the Center Party--and the Liberal Party too as well--is still alive.

The Liberal Party

In the meantime, the Liberal Party's misfortune scares many away from taking such a view into account. People wonder whether now, when all is said and done, it is possible to break free of the Conservative Party if that should become desirable. Will the Christian People's Party's voters understand and agree to a move to the side?

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CITIZENSHIP COMMISSION RESULTS DISPUTED BY CEUTA

Madrid EL PAIS in Spanish 13 Jun 86 p 16

[Article by Carlos Yarnoz]

[Text] Madrid--The representatives of Melilla Muslims think that it will be "very difficult" for them to continue negotiations on their community's problems with the Spanish Government because, according to leader Aomar Mohamedi Dudu, they feel that the government "has failed to comply with the Madrid agreements" signed in February, especially with regard to the granting of citizenship. According to Dudu, of the 4,400 requests for Spanish citizenship filed since February by Melilla Muslims, only 1 has been given a response, and that was negative.

Mohamed Dudu and representatives of the Ceuta Muslims held two working meetings yesterday with a Spanish Government commission chaired by the undersecretary of the Interior Ministry, Rafael Vera. At the close of the morning meeting, Vera described as "positive" the progress made so far. Dudu, however, asserted that the Muslim community "is worse off than before the Madrid agreements."

At noon, before the second negotiating session, the Interior Ministry released a communique asserting that since the start of the year citizenship has been granted to 265 Muslims from Ceuta and Melilla and adding that the joint Spanish Government-Muslim commission had expressed its "satisfaction" with the streamlining of procedures for securing citizenship.

Mohamed Dudu also reported before the afternoon meeting, however, that since last February Muslims have submitted more than 4,400 requests for citizenship (close to 800 requests had been filed before February) and that another 5,000 are being filled out. Dudu said that the Spanish Government has responded to only one of the requests filed since February, rejecting it, and he said that he has heard nothing about the rest.

Request Denied

The rejected request was submitted by 42-year old Mohamed Mohamed Mimon, who is married to Spanish citizen Mimona Abdelah Mohatar and has four Spanish

children who were born in Melilla. Two of his brothers are also Spanish citizens. He filed his request on 27 April, and the reply is dated 30 May.

Aomar says that without the Madrid agreements and under the Civil Code alone (which grants Spanish citizenship to aliens married to Spaniards 1 year after the marriage), Mohamed is entitled to Spanish citizenship because "he meets all the requirements."

"We are not looking for charity or gifts, just what our land entitles us to," said the Melilla Muslim leader, adding: "Of course we refuse to be regarded as foreigners; that is nonnegotiable." In this connection he noted that the Aliens Law published yesterday in the OFFICIAL STATE GAZETTE once again regards Melilla Muslims as aliens by mentioning them among the foreigners who can most readily obtain work permits.

Elections in Mosques

Separately, Melilla leaders handed the defender of the people and representatives of the Justice Ministry and the General Council of the Judiciary a petition with 5,600 signatures that asserts that the complaints filed by Muslims with the Melilla police station or court "are either rejected outright or systematically pigeonholed under a wide variety of pretexts, generally because they are political complaints." The petition adds that when the complaints are filed against Muslims, "they are processed and investigated with the utmost care and speed; in most cases measures are taken against the accused without any evidence whatsoever."

The petition indicates that "given the untenable situation caused by the actions cited in the complaints," the Muslim community of Melilla asks the General Council of the Judiciary to order an fact-finding investigation.

Official sources reported yesterday that the Council of Ministers would today approve a decree ordering a census of Muslims residing in Melilla. A census figures in one of the agreements signed last February by the Spanish Government-Muslim commission and, according to Aomar, should have already been conducted.

There are currently some 27,000 Muslims in the city of around 75,000 inhabitants, and only 7,000 or so are Spanish citizens. Aomar Mohamedi Dudu, who was expelled from the PSOE last year and a few months ago formed the Party of Melilla Democrats (PDM), which is not running in the legislative elections, commented that over the next few days parallel elections would be conducted in the four mosques in the north African enclave.

The PDM has asked all enfranchised Muslims not to vote in the legislative elections. Its argument, as can be seen on posters all over the city, is that "all of the parties are alike" when it comes to defending the rights of the Muslims living in Melilla, most of whom were born there.

Aomar Mohamedi Dudu asserted yesterday that "there is, in effect, a separate government in Melilla." He explained that the city's official bodies,

especially its city hall, often ignore the recommendations of the government and take unfettered action against the Muslim community.

An "Extremely Grave" Situation

The Muslim leader described the current situation in Melilla as "extremely grave" and did not rule out the possibility that pressure would soon be exerted on the Spanish Government. "We have to do something, but this time for our very survival," he indicated.

Separately, the representatives of the Muslim community in Ceuta merely remarked that the efforts under way to obtain Spanish citizenship for Muslims residing there "are on the right road."

The Melilla representatives had described yesterday's meeting as "historic," inasmuch as in their opinion its outcome would determine whether the channels of communication would remain open or whether the Muslim community would resort to different pressure tactics.

As this edition went to press, the afternoon negotiating session, which began at 1730 hours, was still going on.

8743

CSO: 3548/62

MELILLA MUSLIMS PRESS DISCRIMINATION CHARGES

Madrid EL PAIS in Spanish 14 Jun 86 p 17

[Article by Carlos Yarnoz]

[Text] Melilla—The General Council of the Judiciary yesterday decided to open an investigation, which comes on top of another that the government recently began, into alleged irregularities at the Melilla Civil Court [Juzgado de Instruccion]. According to the leaders of the Muslim community, the complaints filed by Muslims are not processed properly "for political reasons," whereas complaints against Muslims are dealt with promptly. Signatures have recently been gathered in the north African city both supporting and opposing the judge there, Jose Maria Trevino, one of whose daughters is married to the local president of Popular Alliance, Luis Fernandez Munoz.

The opening of the investigation was reported on Thursday in Madrid to the Muslim leaders on the commission negotiating a solution to the problems of the Muslim community. The Justice Ministry is represented on the commission.

The Muslim leader of Melilla, Aomar Mohamedi Dudu, who will be arriving today in the city, will explain the new promises that the Spanish Government has made. Although they have not been made public, they include the imminent replacement of many police personnel (the Muslims complain of mistreatment and even torture at the police station), a larger staff at the court to streamline processing of citizenship requests, and even the likely replacement of the government's delegates in Ceuta and Melilla.

Yesterday in Madrid Aomar Mohamedi Dudu handed the General Council of the Judiciary a petition signed by 5,600 members of his community denouncing alleged discrimination.

The petition states that "the complaints that Muslims file with sufficient evidence from witnesses are either rejected outright in court or at the police station or are systematically pigeonholed under a wide variety of pretexts, generally because they are political complaints."

Denial by Judge

Judge Jose Maria Trevino has denied that Muslims are thus discriminated against. He has also issued a press release expressing thanks for the "show of support" represented by the gathering of signatures in his favor but asking for an end to the campaign ("I am not interested in it for many reasons," he notes). In addition he has asked all of the Muslim communities to seek "to reestablish the peaceful coexistence that is currently damaged."

The first person to sign the show of support for the judge and the organizer of the campaign is Juan Diez de la Cortina, a leader of the ultraconservative party APROME [Pro-Melilla Association].

One of the pieces of evidence that the Muslim community has brought up to support its charges is a complaint filed in court last 26 May by Abderraman Mohamed Hamed against the mayor of the city, Socialist Gonzalo Hernandez. He accused him of coercion and threats and of addressing him and other Muslims by the derogatory term "Moors" [moros].

Jose Maria Trevino responded 2 days later in a ruling in which he said that he could find no evidence of a crime "but rather just potential political and administrative issues that fall outside the competence of this court." In the same ruling he therefore ordered the case dismissed.

Separately, the Melilla City Hall has decided to file a complaint against the people who have affixed hundreds of yellow posters around the city, claiming that they are "an affront to Melilla's Spanish nature."

The posters show a photograph of Hassan II of Morocco, and the text begins with the following lines: "Our sovereignty is one and indivisible: God, country and king; Melilla is Morocco; for the unity of Morocco." The text asserts that the government controls neither the city hall nor the ministerial offices in the city and includes the phrases "no to a colonialist court, no to colonial judges," concluding with "long live Morocco."

The complaint filed by the city hall also applies to the people who have disseminated other posters on the same sort of yellow paper, which say: "Here all of the parties are alike. Do not vote."

The first set of posters is unsigned, but the second bears the name of the Party of Melilla Democrats, which is headed by Aomar Mohamedi Dudu, who has already announced that over the next few days the Muslim community will hold parallel elections in Melilla mosques.

Another yellow and black poster seen around the city shows photographs of Socialist Senator Julio Bassets, the mayor and the labor delegate, Jose Miguel Torres, with the following caption: "Do you know these men? Anti-Arab radicals. There are few of them, but they harm many."

The Muslim community has scheduled an assembly for tomorrow, Sunday, to analyze the results of the negotiations conducted in Madrid the day before yesterday.

PAPER CRITICIZES REPLACING ENVOY TO MOSCOW TORSTEN ORN

Stockholm SVENSKA DAGBLADET 6 Jun 86 p 2

[Editorial: "Foreign Ministry Mismanagement"]

[Text] Anders Thunborg was a highly competent United Nations ambassador and will represent Sweden well in whatever top diplomatic position he assumes. Nevertheless, it is difficult to believe that the appointment of Thunborg as ambassador to Moscow is totally positive.

After all, Torsten Orn, a prominent Swedish diplomat, has represented Sweden in the Soviet capital for just under 3 years. It is difficult to find a rational reason for the early transfer of Orn.

When Thunborg's name came up as a possible ambassador to Washington, objections of a different type were made. Through his long years of service, Swedish Ambassador Wilhelm Wachtmeister had created a special position for himself in Washington. Plans to replace him with Thunborg were shelved last spring when Wachtmeister became doyen, i.e. dean of the local diplomatic corps. As such, he has unique contacts with the highest American leadership.

Anders Thunborg is not only a skilled diplomat, but he was also an extremely capable defense minister. Such people do not grow on trees--at least not within the present generation of Social Democratic politicians. If Thunborg were to assume this position once again, it would give the cabinet some reliable and much-needed reinforcing.

It is mismanagement of Swedish security-policy competence to let Anders Thunborg replace Torsten Orn in Moscow at a time when the real need for Thunborg's services is in the vicinity of Arvfurstens Palace. The Defense Ministry is also located at Gustav Adolf's Square in Stockholm.

9336

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U.S. ROLE IN TURKISH-GREEK RELATIONS EXAMINED

Istanbul GUNAYDIN in Turkish 1 Jun 86 p 9

[Article by former Ambassador Nuri Eren: "Turkey Is to Blame for America's Capitulation to Greek Blackmail"]

[Text] Turkish-American relations have become extremely tense. The two countries have had many stormy days in the last 20 years, but this time the storm is about to turn into a hurricane. Because this time the dispute affects fundamental geostrategic concepts. The dispute may force Turkey to reevaluate its ties with the United States and even NATO. In this article, we analyze this dispute objectively and examine the scope of a prospective reevaluation.

Relations Between the United States and Its Partners

America's relations with its partners have never been easy.

1) As in its domestic affairs, the United States places major importance on moral values in its foreign relations. Respect for human rights, and compliance with international law and discipline are fundamental principles of U.S. foreign policy stemming from the conscience of the American people. Consequently, among the great powers the United States is the least harmful whether it is a friend or an enemy. These principles sometimes force the United States into actions which hurt its national interests. The policy that has evolved with respect to South Africa at the urging of public opinion is an example of that. But the United States may also disappoint its friends which think that these foreign policy ideals are an immutable expression of the United States' good will and tolerance.

2) The second difficulty in relations with the United States stems from the fact that instinctive concepts and approaches do not exist in American foreign policy. America's foreign policy was dominated with the concept of isolation from its birth as a nation until World War II. When it was forced into the world stage in the aftermath of World War II, the United States became a master wrestler who did not know any of the rules of freestyle wrestling. When it found out that fundamental principles that dominate its national affairs are not applicable in world politics it was forced to resort to ad hoc policies. The result was that it was often dragged into mutually harmful conflicts especially with allies with which it shares genuine interests. On

many occasions the United States made geostrategic mistakes because it acted against historic geopolitical imperatives out of expediency. Today, it is about to enter an impasse in its relations with Turkey.

Turkey's Mistake

It would be unfair to blame all the mistakes in the current dispute on the United States. The United States has failed to evaluate the historic imperatives of the Turkish-Greek dispute, and it has come to support Greece on Turkey's most sensitive geostrategic issue. But Turkey also played a major role in this mistake, because it did not realize that America's genuine good will is in practice driven always by a deep pragmatism.

Whatever diplomatic or military solution is eventually found for the Limnos issue, one reality has emerged: The United States has given preference to the Greek factor in the defense of the Mediterranean. The term "second line of defense" means that the Turkish Straits will be abandoned [in the event of war]. Building a defense complex on the Aegean islands by treading upon Turkey's historic and strategic interests means that Turkey's geostrategic importance has been superseded by that of Greece. To compare this situation with Europe, this act is equivalent to the United States building a Maginot Line in France and abandoning its defense posture in the FRG.

Price of Disinterest

There is no point in going into the reasons and whys of this situation. But both the United States and we must be blamed. For years, we remained uninterested in America's concerns over Greece and the Aegean. We remained weak by tying our defense capability to U.S. support. Moreover, we overlooked the pragmatic aspect of the American character. In the course of its history, the United States has made it a tradition to come to a compromise for its practical interests in impasses which contravene its principles in domestic and national affairs. Roosevelt abandoned Central Europe to Russian domination as a conscientious concession which had a similar moral scope. Capitulation to pressure has taken root as an instinct in American foreign policy. This is where [Greek Prime Minister Andreas] Papandreou's evaluation of the United States has proven to be superior. He increased his bargaining power over the United States by threatening and pressuring the Americans from the day he took office, he made the United States push for excessive demands which Turkey would never accept, and the United States gave in to Greek pressure when Turkey resisted. This is how the Limnos affair--which envisages to end Turkey's geostrategic preeminence for the United States--was created.

The conclusion that emerges from all this is that Turkey failed to make acceptable arrangements with its allies for the defense of the Straits, created conditions for the contemplation of alternative measures to prevent the Soviets from moving into the Mediterranean and made it possible for Greece to exploit this situation by blackmailing the United States because it did not make the necessary effort and place the necessary emphasis to modernize its weapons in the last 20 years and because it did not take the necessary international initiatives.

In the light of the facts that were brought about by the Limnos crisis and the Rogers affair, Turkey is now obliged to reevaluate its relations with both NATO and the United States and to undertake new arrangements.

What Must Turkey Do?

1) NATO is no longer the treaty organization of the 1950's. At that time a weak Europe joined hands against a powerful and militant Soviet Union. Today, Europe believes that its relations with the Soviet Union are stable. It considers itself as a balancing factor or a buffer in the conflict between the United States and the Soviet Union. Europe's whole objective is to preserve this buffer status. The concern over the dispute between Greece and Turkey is that this buffer may leak on its southeastern front. Greece's goal is to take on its share of preventing such a leakage by establishing a dominance in the Aegean such that Turkey is excluded despite geographical, historical and contractual realities, and it has taken steps in this direction. Turkey must explain to its NATO partners that this is impossible. Thessaloniki is only a day away from the Bulgarian border. The Germans successfully tested this: They captured the islands the United States calls "second line of defense" by jumping from one island to the other without even a navy. The Aegean can be closed off against a military force from the north only through Turkish-Greek cooperation. Today, the safety of the Aegean is guaranteed by Turkey. Greece is open to Bulgarian occupation, but it is known by experience that even the Soviet Union would not want to violate Turkey's territory in the even of war. Even Germany did not risk to go through Turkey during World War II and instead paid the price of entering Russia through the Caucasus and besieging the British from Egypt. Thus the defense of Greece from the north is related to Turkey's safety. It is our duty to explain this to NATO and ask them for our fair share.

Call on Turkey

2) We must also teach the United States that if it alienates Turkey because of its plan to form a second line of defense in the Aegean together with Greece it will be left all alone in the anarchy that will ensue after the Iran-Iraq war. Until now Turkey has remained passive in the face of situations developing to its disadvantage because of its disposition for nonintervention. The Limnos affair and the situation created by General Rogers are forcing Turkey to show its weight. Even if it is not properly armed, Turkey carries a bigger weight than Greece with its geography and its national unity and integrity. Whether we get our fair share for that depends on our own initiatives.

9588

CSO: 3554/101

VIOLATIONS OF SEPARATION OF STATE, RELIGION SEEN

Assembly Dinners Considered Unconstitutional

Istanbul CUMHURİYET in Turkish 31 May 86 p 2

["Window" column by İlhan Selçuk: "Islam and Show"]

[Text] While reading our colleague Canan Gedik's "Assembly Notes" column in the 29 May 1986 edition of CUMHURİYET, I underlined the following lines:

"Another notable event at the Turkish Grand National Assembly [TGNA] the other night was fast-breaking sundown and midnight dinners with prayers. TGNA President Necmettin Karaduman realized a dream—the dream of having collective fast-breaking dinners at the TGNA—which [former National Salvation Party leader Necmettin] Erbakan would once give his entire possessions to realize.

"The TGNA restaurant was prepared for the dinners in the morning. Special sound systems were installed in the restaurant to enable the deputies to hear readings from the Kuran and prayers broadcast on the radio, meals were cooked and the tables were decorated with flowers. A similar dinner was repeated after 2:30 am in the morning. This time Motherland Party Secretary General Mustafa Tasar gave a midnight fast-breaking dinner. For Tasar's dinner, special pastry, cookies and cheese were brought in from Gaziantep. Prime Minister Özal—who attended this midnight dinner and who was delighted about his swift and easy success that night in ending the state monopoly on tobacco by the use of questionable tactics—also experienced the happiness of having realized his dream of having fast-breaking dinner in the Assembly."

29 May 1986.

An historic day.

While national interests were trodden upon, the "national" monopoly established by Atatürk was eliminated and Turkey was opened to foreign monopolies, fast-breaking sundown and midnight dinners were given in the TGNA.

While the religious wave rose, nationalism was covered with a veil.

There have been so many TGNA presidents in the past. We have no evidence that any of the deputies who served as TGNA president were not spiritually

wholesome. Since "both worship and sin is private" in Islam, we cannot decide which TGNA president was a better believer, but we can mention a few names which are liked by "conservative and rightist" circles. Is it possible that Kazim Karabekir, Refik Koraltan and Ferruh Bozbeyli were lesser Muslims than Mr Necmettin Karaduman? In other words, were there not any Muslims among those who served as TGNA presidents during the republican period?

Why has Mr Karaduman felt the need to install a special sound system in the TGNA restaurant and to give fast-breaking dinners with prayers? Does not a person who serves as the Assembly president of a republican state--whose constitution stipulates the principle of secularism--know that he is committing treason against the Constitution? Is he not aware that he is violating the oath he took at the podium of the Assembly?

There must be a reason for everything an Assembly president does and every step he takes.

What is the reason for this act?

If Mr Karaduman cannot explain the reason for this act, it will become evident that he is either unknowledgeable or that he is one of the enemies of Ataturk's principles.

It cannot be said that everyone who looks religious is religious. The religion of Islam has no room for showing off. The faith of the believer is in his soul. Faith is exploited wherever religion is used as a tool in politics. The Grand Mufti of Istanbul, Durrizade as-Said, achieved the most extreme level of this exploitation during the National War of Independence.

Durrizade wrote a circular at the time declaring that those who kill the nationalists fighting against imperialism would go to heaven and those who die while doing this would become martyrs. This circular was opposed by another turban-wearer, the Mufti of Ankara Rifat Efendi--a true Muslim--who declared that those who fight against the enemy occupying the country would be proclaimed champions of Islam if they survived and martyrs if they died.

Now I wonder.

I would like to pay my respects to those who fast and pray without making Islam a tool of politics. Did not any one these persons oppose the law which opened the national monopoly on tobacco to the foreigners?

Ozal's Motives Questioned

Istanbul HURRIYET in Turkish 31 May 86 p 3

["Article of the Day" column by Oktay Eksi: "Another Step"]

[Text] The TGNA passed a bill which was of interest to everyone with some relation to humanity. The bill introduced into our daily lives a fund for the poor and the needy separately from all the other "funds."

Before I go on, let me state that the Prime Minister is a truly skillful politician. He knows very well how to proceed softly toward his goals. While doing that, he utilizes values shared by all of humanity. He appears as if he is only trying to glorify those values.

He undoubtedly wants to glorify them, but if our personal evaluation is not wrong, by introducing a new innocent-looking addition every day, he is weaving the cocoon of a model of state he has in his head. More explicitly, he is steadily nudging Turkey away from the principles of "secular republicanism."

The opposition parties, on the other hand, are simply watching this play that is being staged before their eyes.

As we stated above the basic idea behind the "fund for the poor and the needy" is naturally good. The poor, the needy, those who want to study but cannot afford it and those who look for work from door to door leaning on a small crutch need a helping hand. Moreover, doing that is a major responsibility of a state whose constitution states that it is a "social" state.

But the model Mr Ozal has chosen to carry out this responsibility is one that is compatible with a state built on "religious" principles rather than the "secular state" of our times.

As a result, the introduction of the bill that established the "fund for the poor and the needy" explains the need for having such a law on religious grounds--perhaps for the first time since the adoption of secularism. The law's stipulation that the local mufti may be included in the "trustee committees" to be established to determine the assistance to be given to the poor and the needy may, at first glance, look an innocent provision. But if the "separation of religion from the affairs of the state" is the fundamental principle of secularism, the function of the mufti on such a committee is impossible to explain in the light of this principle.

Just as the inclusion of a representative of the Religious Affairs Chairmanship in the committee relevant to the "Vice Law" is contrary to the secularism.

As is known, when the "Vice Law" was criticized for this reason, the Prime Minister said that he "thought that the previous law also provided for a representative of the Religious Affairs Chairmanship." As far as we know, he said at the time that he would amend the law so as to exclude the Religious Affairs representative from the said committee. Now he has done exactly the opposite: he has included the muftis in all provinces and counties in an institution established for the purpose of "social assistance."

As we said, the Prime Minister uses values shared by all humanity very skillfully. In this case, too, he has hidden behind "religion," one of humanity's most sacred values. In view of the respect accorded to men of religion, he assumed that no one would oppose the inclusion of men of religion in these committees and that he would take another step toward his goal.

However, he is forgetting that he is not only violating the ban on "making religion a tool of politics" but that he is also playing with a very dangerous weapon.

9588

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UNION OF CHAMBERS CONVENTION ELECTS COUNCILS

Istanbul MILLIYET in Turkish 1 Jun 86 p 4

[Text] Ankara--At the general convention of the Turkish Union of Chambers [TUC] which ended yesterday, large chambers, such as those from Ankara, Istanbul and Izmir, dominated the leadership of TUC as intended by the government's recent changes in the law. Thus, the government team won the the first round of the battle between the Motherland Party [MP] and the Correct Way Party [CWF] in the union.

The most hotly contested election was that of the Commerce Chambers Council. In this election, the ticket headed by Nuh Kuscü and Dundar Soyer won by defeating the CWP ticket with five votes.

In the Industry Chambers Council elections, [former Prime Minister Süleyman] Demirel's candidate Feridun Alpat won a seat in the council in the last minute with 36 votes defeating Nuri Erikoglu by 8 votes.

The candidates elected to the councils are:

Commerce Chambers Council: Dundar Soyer, Nuh Kuscü, Gungör Yener, Cahit Aydoğan, Ahmet Karakus, Turgut Tokus, Cemal Ulusoy, Basri Öztekin, Cengiz Solakoglu, Tekin Cullu, Mizyal Akimsar, Rustu Okan, Cahit Isik, Omer Kerman, Mustafa Nevzat Özhamurkar, Hacı Ali Capci, Mustafa Capra, Nuri Ulas, Yilmaz Atabarut, Hamdi Edip Ugur, Osman Seref Eris, Cumhuriyet Sevinc Ozer, Hüseyin Ruhi Gökoglu, Ali Kayalioglu, Saim Gürsoy, Güner Buldanli, Rıza Aytekin Tanol, İhsan Kahvecioglu, Tamer Kirprik, Bayram Atcioglu.

Industry Chambers Council: Feridun Alpat, Yalcin Bahcivan, Refik Baydur, İhsan Balioglu, Omer Bese, Ibrahim Bodur, Ali Coskun, Kenan Cetinel, Raif Dinçkok, Orhan Demirtas, Mesut Erez, Mumin Erkunt, Sinasi Ertan, Muharrem Eskiyan, Ersin Faralyali, Nurullah Gezin, Cengiz Hakan, Mehmet Karatas, Abdurrahman Nantu, Hizbullah Ocak, Neziha Okus, Savas Ozaydemir, Cevdet Özbalcik, Ali Rıza Özderici, Cezmi Öztemir, Mustafa Piyale, Husnu Polat, İdris Yamanturk, Rona Yircali, Yavuz Zeytinoglu.

Commerce and Industry Chambers Council: Ali Osman Sonmez, Şehabettin Bilgisu, Mehmet Batalli, Ali Osman Ulusoy, Mehmet Cebi, Şevket Demirel, Bulent Halefoglu, Osman Berberoglu, Ibrahim Serez, Mehmet Cop, Yusuf Ozer, Mehmet Binbay, Hasan Bayraktar, Özcan Eroglu, İlhan Uysal, Felat Cemiloglu, Tevfik

Solak Subasi, Naci Kologlu, Ilhan Celener, Sefik Yilmaz, Sakip Sar, Recep Demirkol, Ahmet Fat, Ismail Demirkol, Yilmaz Temizkan, Orhan Buyukalp, Rustu Gunes, Sahin Saygi, Hasan Filibeli, Cemal Cengiz.

Trade Exchanges Council: Nejat Basmaci, Cevat Bingoler, Mehmetcik Paykoc, Salim Mercimek, Mustafa Atasagun, Riza Aydin, Nihat Egilmez, Mustafa Sahinersen Atilgan, Kemal Koman, Haluk Tanik, Dursun Er, Selim Ogutur, Feyzullah Sarisoy, Ersat Fehami Kuzeyman, Fadil Bagana, Izzettin Azizoglu, Ilhami Gonen, Omer Yilmaz, Sami Kula, Necati Kaya, Mehmet Velioglu, Ziya Akbulak, Ramazan Kocatas, Cemal Miloglu, Osman Ozyurt, Nedim Karahalil, Suleyman Sirri Yalcinkaya, Veli Akincioglu.

Marine Commerce Chambers Council: Ziya Kalkavan, Fuat Miras, Cengiz Kaptanoglu.

The council members will meet on Tuesday to elect council chairmen and deputy council chairmen.

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CSO: 3554/100

GATHERING IN EDIRNE PROTESTS 'BULGARIAN OPPRESSION'

Istanbul TERCUMAN in Turkish 1 Jun 86 pp 1,14

[Report by Kamuran Abacioglu and Sadettin Erkisi]

[Text] Edirne--The frontier city of Edirne lived another one of its historic days yesterday. Thousands of citizens who gathered in Edirne from all corners of the country at the urging of TERCUMAN, cursed Bulgarian oppression "under the nose of Bulgaria." A large number of our citizens, including members of the government party, the opposition parties and parliamentary deputies, who gathered in the historic frontier city cursed Bulgarian oppression once again with coherent voices and in a spirit of unity. Thousands of people who had gathered in Edirne on the holy day of Ramadan voiced the feelings of all Turks around the world when they cried with their fasting mouths: "The Muslim Turk cannot be turned into a Bulgarian." They prayed to God in the Selimiye Mosque, the magnificent work of Architect Sinan, for the liberation of our kinsmen who are suffering under Bulgarian oppression.

The historic gathering in Edirne began with a march which started from Pazaryeri at 1:00 pm. The citizens, who carried placards cursing Bulgarian oppression and who sang military songs, marched to the accompaniment of the municipal band until the Balkan War Martyrs Memorial which commemorates the gendarmes who were martyred during the Balkan War of 1913. Wreaths were laid at the memorial and a moment of tribute was observed. Later, the national anthem was sung. Participants in the march included Motherland Party [MP] deputies Ismail Igdul, Ercument Konukman, Ismail Dayi, Metin Gurdere, Atilla Sin, Engin Cansizoglu, Ahmet Dogrul, Ebubekir Akay, Kadir Derin, Nihat Harmanci, Hakki Artukaslan and Hayrettin Elmas; Edirne Mayor Ibrahim Ay; and Nationalist Work Party leader Ali Koc and his deputies. Also participating in the historic gathering were members of the Intellectuals' Hearth; the School of Divinity; the Kubbealti Association; the Istanbul, Corlu, Gebze, Bursa, Eskisehir, Silivri, Yalova, Mersin, Adana and Kahramanmaras branches of the Balkan Turks Cultural and Solidarity Association; the Association of Eastern Turkestanis; the Association of Western Thracian Turks; the Association of Iraqi Turks; the Federation of Turkish Immigrant and Refugee Associations; and the Federation of Turkish and Islamic Cultural Association of Belgium as well as thousands of private citizens. Mehmet Cavus, President of the Balkan Tur's Cultural and Solidarity Association, and MP deputies Ismail Igdul, Ercument Konukman and Hakki Artukaslan delivered speeches at the gathering. Ercument Konukman said in his speech:

"We will pursue this national cause persistently until a just solution is found. As the Turkish nation and as Turkish parliamentarians we are shouting at the entire world with our strong and masculine voice. We will not abandon our kinsmen who are suffering under Bulgarian oppression and who are deprived of all types of social and civil rights."

Noting that the Bulgarians lived under Ottoman rule for 500 years, Ismail Igdul said: "I address myself to the cruel Bulgarians: The Turkish nation and Islam are everlasting; the salvation of our kinsmen is imminent."

The President of the Balkan Turks Cultural and Solidarity Association, Mehmet Cavus, gave examples of the oppression and torture our kinsmen are being subjected to in Bulgaria and thanked TERCUMAN and our correspondent Ergun Goze who helped in the organization of the gathering. After the march, the participants in the "historic gathering" said afternoon prayers in the Selimiye Mosque and offered special "absentee funeral prayers" for the martyrs. After the fast-breaking dinner, the Mufti of Edirne, Ibrahim Kocarli, delivered a sermon. The faithful listened to the sermon with pious reverence. The Deputy Religious Affairs Chairman, Hamdi Mert, performed the night service. Later, the participants prayed for our kinsmen in Bulgaria.

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COLUMNIST EXPECTS INONU TO HAVE 'TOUGH JOB' AS SDPP LEADER

Istanbul HURRIYET in Turkish 1 Jun 86 p 3

["Article of the Day" column by Oktay Eksi: "Inonu Has a Tough Job to Do"]

[Text] All indications are that Erdal Inonu, the new leader of the Social Democratic Populist Party [SDPP], will have a tough time doing his job. Because it is Mr Inonu's responsibility to solve the problems left behind by the 2nd Special Congress, which met on both 30 and 31 May, as well as those that existed before the congress.

Ironically, the 2nd Special Congress was convened not to create problems, but to solve problems. Thus, the issue of resolving the leadership problem was settled easily thanks to the prudent stance of Mr Aydin Guven Gurkan and Mr Inonu. But the mistakes made during the election of members to the Central Decision and Administrative Council, whose membership was reduced from 80 to 33, led to new debates within the party. Whether these debates will turn into "problems" hinges on Mr Inonu's skills.

Mr Inonu will have to face not only the problems related to the "elections" but also the questions aroused in the public's mind by the "jeering" on the first day of the congress.

The truth is that the jeering of Western ambassadors and diplomats invited to the congress by the party in contrast to the applause given to diplomats from the socialist bloc hurt SDPP's reputation in all circles except among those who organized this conspiracy. Moreover, a major portion of the public sympathetic to SDPP began to ask: "Could this party be taken over by cadres who applaud Cuba, the Soviet Union and Afghanistan and who--more correctly--admire the regimes in those countries?"

In fact, it had been obvious for months that such a problem would one day arise in SDPP. Because it was evident that all kinds of creatures would enter the party when SDPP leader Aydin Guven Gurkan--who stepped down as leader at this congress--began their campaign by saying: "The first indispensable step needed to enable SDPP to progress on the path of social democracy is to establish a broad base of support. This step has to be taken. Party leaders at the province and county level who fail on this issue will be dismissed. Anyone who is not consciously recruiting members, who is not encouraging registration of members in the party and who is indifferent to membership recruitment cannot keep his job for very long." (CUMHURİYET, 13 January 1986)

Besides, the stance or, more correctly, the incompetence of the congress' chairmanship council in the face of this ugly incident is an indication of how easily SDPP may stumble into a trap.

This situation of a party which is a "candidate to become government" is a serious issue which concerns all of us.

Therefore, one of Mr Inonu's first tasks must be to turn SDPP from a forum where "all species of the left roam freely" to a party of cadres who believe in the party's program.

In addition, Mr Inonu must find an answer to a persistent question in the public's mind.

As is known, the public wants an answer to the question "How will you solve our problems specifically when you come to power?" with concrete plans and not with generalities. The toughness of the problems Mr Inonu will face can be understood better when one realizes that the public is no longer satisfied with terms of dubious seriousness like Mr Gurkan's "democratization catalog" or "seeking answers to problems by forming about 50 commissions."

After all, is not Mr Inonu where he is today because he claims that can find answers to some tough problems?

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CSO: 3554/100

BRIEFS

CWP, CP TO MERGE--The merger between the Correct Way Party [CWP] and the Citizen's Party [CP] will take place tomorrow. At a 3-hour meeting yesterday CWP's Central Decision and Administrative Council discussed the petitions of Vural Arikan and his sister, Turkan Arikan, to join CWP. According to the information obtained none of the members of the council opposed the merger. It was learned that the Central Decision and Administrative Council of CP will meet today. If a similar decision is taken in the CP administrative council, the Arikans will join CWP at a ceremony tomorrow. Meanwhile, CWP's mini-congress will be held at the party's headquarters on 23 June. The latest political developments will be evaluated at the mini-congress. It was learned that former Prime Minister Suleyman Demirel has not been invited to the mini-congress, which will coincide with the third anniversary of the formation of CWP, and that he has only been invited to the reception to be held in the evening. [Istanbul MILLIYET in Turkish 6 Jun 86 p 8] 9588

ECEVIT STATEMENT ON TRIAL--Former Prime Minister Bulent Ecevit, who will have to stand trial on charges of violating Provisional Article 1 of the Political Parties Law as a result of his speech at the Founders' Council of the Democratic Left Party [DLP], said: "I will perform my duties to the public in the way that I know." In a statement with reference to the suit filed against him, Ecevit said: "I do not think that I can be convicted if the law works in accordance with legal principles." Ecevit's statement is as follows: "I would be saddened if others were hurt because of me. But the suit that has been filed against me will not hurt DLP which provided me with the opportunity to speak, and for that reason I am not sad or concerned. As for the harm that may come to me, that is inconsequential as far as I am concerned. When one does his duties, he has to be responsible for the consequences. I will continue performing my duties to the public in the way that I know without being affected by the suit that has been filed against me. Moreover, I do not think that I can be convicted if the law works in accordance with the principles of government of law. In addition, the suit filed against me will help the understanding of certain facts and will expose the contradictions between various provisions of the laws and between the laws and life. I would be happy if this contributes to the democratization process and helps to make our legal system more consistent." [Istanbul MILLIYET in Turkish 6 Jun 86 p 8] 9588

SELF-REGULATED MEDIA--At the meeting organized in Istanbul by representatives of the press and the media it was decided to form a "media council" by the end of July to help the "media to regulate itself." Work on the formation of a "media council" was begun in February and a proposal was prepared taking into account the criticisms leveled against the first draft. This proposal was

discussed by 28 journalists interested in the issue at a gathering held in the Istanbul Divan Hotel on 2 May. An eight-member working group that was formed after that gathering expanded the proposal with the contribution various media organizations and presented it to the journalists who met on 4 June. The latest meeting on the formation of a media council was attended by Cuneyt Arcayurek (CUMHURIYET), Mehmet Ali Birand (MILLIYET), Ismail Cem (GUNES), Hasan Cemal (CUMHURIYET), Guneri Civaoglu (GUNES), Husamettin Celebi (Anatolia Agency), Cafer Demiral (Turkish Radio and TV Administration), Yalcin Dogan (CUMHURIYET), Behic Eksi (Anatolia Agency), Oktay Eksi (HURRIYET), Teoman Erel (MILLIYET), Yurdakul Fincanci (MILLIYET), Dogan Heper (MILLIYET), Gungor Mengi (YENI ASIR), Ugur Mumcu (CUMHURIYET), Zafer Mutlu (SABAH), Adil Ozkol (NOKTA), Ertugrul Ozkok (HURRIYET), Hasan Puler (HURRIYET), Ismail Sivri (Izmir Journalists' Association), Ilhami Soysal (MILLIYET) and Abdullah Uraz (SON HAVADIS). The journalists attending the meeting expressed their views of what they understand by the institution of self-control of the media and determined that they are in agreement on the issue of not permitting the political regime or political considerations to interfere in the self-control of the media directly or indirectly. One of the journalists attending the meeting said that the media council which has been decided on will defend the freedom of the press and the people's right to know the news and will help to increase the respectability and the effectiveness of the press through gentlemen's agreements. He added that similar media councils exist in many countries with liberal democratic systems. [Istanbul MILLIYET in Turkish 6 Jun 86 p 14] 9588

CSO: 3554/405

BRIEFS

FINNISH-IRAQI TRADE DECREASE--The Finnish-Iraqi Economic Cooperation Commission meets on Monday and Tuesday in Helsinki. During this twelfth meeting the Finnish commission will be headed by Foreign Trade Minister Jermu Laine (Social Democrat) and the Iraqi by Tariq Hamad Al-Abdullah, who is minister for light industry. Today, the trade between Finland and Iraq is only one-sixth of what it was in 1980. The major reason for this is that the oil export has dried up. From 1981 the balance has thus been positive for Finland, but Finland's export to Iraq has also declined. Last year exports to Iraq were worth 265 million marks, while imports remained at 142,000 marks. Iraq's share of the Finnish trade was 0.2 percent last year. As for Finnish exports to Asian countries, Iraq ends up sixth. Since the oil export ceased, Iraqi trade with Finland has become insignificant and includes licorice extract, dates and carpets. Half of Finland's export to Iraq consists of sawmill products and more than one-fourth of machines and installations. It is reported at the Foreign Ministry that as a result of problems with the balance of payments Iraq recently postponed a number of payments and projects, which in turn makes it difficult to expand the Finnish export. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 15 Jun 86 p 17] 11949

CSO: 3650/249

YOUTH 'NEO-POVERTY' EXCEPTION TO ECONOMIC PROSPERITY

Stockholm SVENSKA DAGBLADET in Swedish 6 Jun 86 p 6

[Article by Anders Jonsson]

[Text] "The politicians must change their way of thinking. Older people cannot continue to be sacred cows, when it is the young people who have problems."

This dramatic description of the situation was given by Bjorn Gustafsson, doctor of economics at Goteborg University on Thursday when he and Brita Schwartz, head of research at the Goteborg School of Economics, presented two reports on the increased number of welfare recipients.

The conclusions of Gustafsson and Schwartz are in close agreement with the conclusions now being drawn by a group at the Social Welfare Ministry that is analyzing trends in social welfare, as previously reported by SVENSKA DAGBLADET. This is not unusual, since both researchers turned over their material to the Social Welfare Ministry.

Mostly Singles

The latest studies show that the increase in the number of welfare recipients during the 1980's results from the fact that more youth and single people, with or without children, are receiving social assistance.

On the other hand, the reports, which are based on statistics up to and including 1983, contain nothing indicating that the number of families with full-time incomes or with longer part-time incomes has increased among welfare recipients, as is generally claimed in the debate over neo-poverty.

There is also nothing to indicate that the increase in the number of welfare recipients is due to more generous regulations, although an increase could have occurred in 1985 because the Social Welfare Board issued recommendations for more generous standards.

Bjorn Gustafsson believes there may be something to the idea that Sweden is developing a new "lumpenproletariat" of younger people who have never entered the job market and, consequently, are being marginalized.

Young Women

One new feature is that young women are now found in the statistics. Single women without children who live in and around the big cities and are under 35 years old comprise the fastest-growing group of welfare recipients.

"We have built up a social policy that is based on security for the elderly. The fact that problems arise early in life seems never to have occurred to the politicians," Bjorn Gustafsson said.

At the same time that it has become more or less accepted that young people will move away from home and take care of themselves, the labor market has developed in such a way that it is difficult for many young people to get a job when they come of age.

"This is something contradictory that has not yet been comprehended by those who shape our welfare policy. As a result, they must begin to reexamine their position."

The reports by Gustafsson and Schwartz also point out that families receiving welfare payments have about the same disposable income as other families, after they receive these payments.

Bad Way

According to the reports this means that a change in the tax system is a bad way to reduce the number of welfare recipients.

"This would mean eliminating taxes for a large number of people or introducing a monthly assessment," Bjorn Gustafsson said.

The studies by Brita Schwartz also show that 60 percent of the welfare recipients pay more in taxes each year than they receive in social subsidies. In general, welfare subsidies comprise a small share of the year's disposable income for most welfare families.

According to Brita Schwartz, subsidies that are worth discussing in the context of reducing the number of welfare recipients include the advance payment of child subsidies, job retraining allowances, unemployment insurance, and student loans.

Increasing Rapidly

Gustafsson and Schwartz have also attempted to predict the extent of welfare payments in 1985 and 1986. They have concluded that the number of recipients will not increase as rapidly as it did during the early 1980's, but we will have more recipients than in 1980 and 1981.

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CSO: 3650/245

UNION'S ECONOMIC REPORT PESSIMISTIC

Petroleum Workers Union Annual Economic Report

Istanbul CUMHURİYET in Turkish 5 May 86 p 11

[Text] The Petroleum Workers Union annual economic report has concluded that the problems that have surfaced particularly over the past 5 years were not resolved in 1985. The report, which studied in detail economic and workers' rights developments in Turkey, noted that actually in 1985 new problems were added to those already existing.

The Petroleum Workers Union report stressed that there had not been a single positive modification to laws curbing labor union activities and restricting freedoms. Indeed, in 1985 there had been new negative developments such as those prohibiting unionizing of contract personnel and private security guards. The report noted that in the face of price increases approaching 50 percent, there had been a serious drop in real income. In the presentation of the report to the executive committee, it was stressed that the process of solving these problems depended on the degree to which democracy and democratic rights are protected.

Summarizing, the report stated, "In reviewing the economic and social indices for 1985, one cannot find anything positive whatsoever. While those who apply the tight money policy in order to curb inflation expect great self-denial and sacrifice from the workers, the ratio of money in circulation has grown 48 percent over that of last year. There is a contradiction between promise and reality."

"As the budget deficit widened in 1985, Turkey went further into foreign debt; the total for these external obligations reached 24 billion dollars (in 1986 dollars). Unemployment is continuing to develop as a problem even whose rate of increase cannot be cut."

The Petroleum Workers Union annual report also noted that the slide in per capita national income in 1985 continued the trend that has been going on for some years now.

The report stated that national income data is not sufficiently illustrative of the true plight of the workers and that a decision had been made that there not be an official investigation to address the question of distribution of wealth.

Per Capita National Income

Year	Population* (Thousands)	GNP percapita Mil.TL	GNP TL	GNP US \$
1975	40.078	535.771.0	13.368	834
1976	40.915	674.985.7	16.497	1040
1977	41.768	872.893.8	20.899	1172
1978	42.640	1.290.723.4	30.270	1258
1979	43.530	2.189.520.0	50.529	1346
1980	44.434	4.435.153.0	99.814	1313
1981	45.448	8.553.596.2	144.206	1308
1982	46.459	8.735.053.7	188.016	1168
1983	47.471	11.549.142.8	243.288	1086
1984	48.480	18.316.823.9	377.822	1036
1985	51.421	27.344.863.8	531.784	894
*After 1980, figures are projections				
**According to census figures				
***State Statistics Inst. 15 Aug 85 est.				
Source: Petroleum Workers Union 85 report				

The report's summary continued, "From the workers' point of view, when we compare the income we make to the inflation rate, we are talking about a regression of approximately one half in the income of workers, officials and agricultural producers during the Ozal era. In the last 2 years, this regression has averaged 33.8 percent--40.2 percent for workers' salaries, 37.9 percent for government workers and 24.6 percent for agricultural producers (in base prices).

This regression in workers' income by year averaged 6.4 percent in 1983, 18 percent in 1984 and 15.9 percent in 1985. The data demonstrate that income over the last 2 years has not grown as government circles have insisted; quite the contrary, it has been almost halved. According to available data, it can be said that as a group, we have been impoverished by 35 percent over the past 2 years.

No Increase in Real Wages Since 1963

Istanbul GUNAYDIN in Turkish 5 May 1986 p 5

[Text] In 1985, wages fell to the level where they had been in 1963 according to a report evaluated by the Petroleum Workers Union. The average wages of workers, government employees and agricultural producers, when compared with the inflation rate, fell behind by 15.9 percent. Efforts to support wages by such aid measures as tax refunds cannot prevent the fall in real income, the report contended.

This regression has reached 6 percent in the last two according to the report and it pointed to the fall over the past years from 14.75 percent to 7.47 percent in the worker's share of the value of production as another indicator of this development.

The Petroleum Workers Union annual report, which evaluated developments in 1985, went on to argue that per capita income was not 1000 dollars, but 975 dollars instead. It said that because the population figures used by the government in computing the per capita national income were below the figures compiled in the 1985 census, the per capita income was really below the 1000 dollars given and was actually 975 dollars.

Additionally, the report stated that the money supply had grown by 48 percent over the previous year and that foreign and domestic debt had swollen rapidly.

Thus, the report concluded, in recent years despite the numerical increase in wages, purchasing power has fallen and, as a result, a major segment of our population has become poorer in comparison with earlier years. The report cited as an example the fact that a wage earner's salary in 1963 had more purchasing power than it does today.

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UNION OF CHAMBERS URGED TO STAY OUT OF POLITICS

Istanbul MILLIYET in Turkish 31 May 86 p 10

["Thoughts of Thinkers" column by Turkish Industrialists' and Businessmen's Association President and industrialist Sakip Sabanci: "Politics Must not Be Allowed to Smear the Union of Chambers Directly or Indirectly"]

[Text] The General Assembly meeting of the Turkish Union of Chambers [TUC] is continuing in Ankara. TUC is an organization that brings together businessmen and industrialists from all corners of Turkey.

As its name implies, it is a "union."

Unity is a source of strength. Unity is essential for success. Unity means peace and a happy future.

The private sector believes in the free market economy. The free market economy is based on the principle of "competition." Competition in commerce and industry is essential for success.

Competition Must not Be Turned into Conflict of Interests

However, "competition" must never be turned into a "tainting and destructive conflict of interests." There are certain "minimum common denominators" which must be determined to enable small and large businessmen and industrialists to exist, to succeed, to contribute to the economy, to profit and to pay taxes.

These minimum common denominators gather the businessmen and industrialists "under the roof a union."

What are these minimum common denominators?

Businessmen and industrialists believe in the "free market economy." Free market economy is a system which allows individuals and firms to utilize their skills in the best interests of their country and economy.

A free market economy can exist only in countries where "property rights" and freedom of enterprise exist.

The basis of property rights and freedom of enterprise is the existence and functioning of a "liberal democratic parliamentary system."

Consequently, businessmen and industrialists see the defense of freedom, democracy and parliament as essential for their existence.

Principal Duty of Businessmen and Industrialists

The principal duty of the businessman and the industrialist is to produce and to distribute. As individuals and citizens, businessmen and industrialists may have different political beliefs; they may vote for different political parties.

But politics cannot be mixed with commerce and industry. The businessman and the industrialist can practice politics neither in his business nor under the roof of professional organizations.

That is why we are specially careful not to permit our union to be smeared by politics directly or indirectly.

If politics leaks into the union and begins to exert its influence there will be no union left. The priority of the minimum common denominators of businessmen and industrialists will be eliminated.

In liberal democratic parliamentary systems there is a time and a place to do everything. Those who want to practice politics may leave commerce and industry and may begin working in a political party. Just as a political party cannot practice commerce or industry, TUC cannot intervene in domestic politics.

So far TUC has generally been successful on this issue. Its success will no doubt continue in the future.

Responsibilities as Higher Organ

The noninvolvement of the union in politics is normal. But there are things which it should do and which are also normal.

The union has certain responsibilities as the highest representative organ of Turkish businessmen and industrialists.

These responsibilities consist of promoting laws and regulations which allow businessmen and industrialists to contribute more to the economy regardless of their size, and regional or sectoral background.

Since 1980, the Turkish economy has been experiencing rapidly changing conditions. Different individuals have naturally been affected differently by these changes.

Conclusion

The responsibility of TUC is to monitor developments in the country, carefully, to determine the negative effects of conditional changes on businessmen and

industrialists, to propose to the authorities the measures that may correct these adverse effects and to insure that those proposals are implemented.

This requires dedication, cadres and resources. If we keep in mind that TUC was established and continues to exist for this purpose, the effectiveness of the union can be felt more strongly in the future, and everyone can endorse the union more vigorously.

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CS0: 3554/99

ECONOMISTS CONCERNED OVER LOW TAX REVENUES

Istanbul HURRIYET in Turkish 1 Jun 86 p 4

[Text] It was stated that a "dangerous course" which is not echoed in economic and political debates is being overlooked because the public debate has not been able to rise above the "price of eggplant" or the "quality of watermelons" in the fast pace of daily life. Those who have been trying to see beyond the "present" and "a few years ahead" in the economy noted that this "dangerous course" is stemming from the difference between tax revenues and money collected for the extra-budgetary funds. Officials stated that the growing gap between tax revenues--which are stipulated by the budget, collected by laws and subject to control--and fund income--which cannot be controlled--as well as the Central Bank's domestic borrowing is on a course which may soon upset the balances of the economy.

Tax Revenues and Funds

According to the targets set by the 1986 budget, the government is expecting to raise a total of 5.7 trillion Turkish liras in taxes. According to the Industry and Trade Minister's statement at a meeting on the "Problems of Small Businessmen and Artisans," so far more than 1 trillion Turkish liras have been raised for three funds alone. The figures are: 400 billion Turkish liras for the Public Housing Fund, 350 billion Turkish liras for the Defense Industry Fund and 300 billion Turkish liras for the Public Partnership Fund. Also according to government officials' own statements, about 3 trillion Turkish liras have been raised for the existing 101 funds.

Domestic Borrowing at 2 Trillion Liras

Between 30 May 1985 and 29 May 1986, the Central Bank sold bonds and debentures totaling 1,911,100,000,000 Turkish liras in regular weekly auctions.

Payment of Foreign Debt

Stating that the Turkish currency equivalent of maturing principal and interest payments on foreign debts must also be added to the funds and the Central Bank's domestic borrowing, the officials said: "The foreign debt that has matured this year and for which payments are being made totals \$3.6 billion which is equivalent to 2.5 trillion Turkish liras."

When the targeted tax revenues are compared to the sum of the funds's income, domestic borrowing and the Turkish currency equivalent of the foreign debt payments, the following picture emerges:

Expected tax revenue: 5.7 trillion Turkish liras;
Domestic borrowing: 2 trillion Turkish liras;
Funds: 3 trillion Turkish liras;
Turkish currency equivalent of foreign debt payments: 2.5 trillion Turkish liras.

Thus the expected tax revenues remain far below the sum of the funds, domestic borrowing and the Turkish currency equivalent of foreign debt payments.

What Does This Situation Signify?

Stating that the gap between the tax revenues and the total liabilities is an expression of the "dangerous course" in the economy, the officials said that this peril may bring with it four negative developments:

1. Budget Deadlock: Tax revenues cannot meet the planned budget expenditures resulting in increased domestic borrowing. In addition, the increased use of extra-budgetary--that is uncontrolled--funds means that the budget is deadlocked. This means that the revenue-expenditure balance in the budget has been completely upset.

2. Waste of Money: The fact that large amounts of revenues are being raised outside the budget means that the government is keeping two account books. One book contains the tax revenues whose expenditures can be controlled by the parliament and the appropriate agencies, while the second book contains revenues for funds whose purpose and expenditures cannot be controlled. Money which is not controlled is in fact money which has a high probability of being wasted, and waste of money is the biggest obstacle before our development.

3. Inflation Does not Decline: The inflation rate will not decline as long as there is a budget deficit and the government is forced to borrow domestically and to print unsupported money.

4. Bad Legacy for the Future: Such a picture makes this government a shirt of fire for future governments. If the current government is forced out of office during elections, those replacing it will have a hard time cleaning up this bad legacy.

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FOREIGN EXCHANGE SHORTAGE REPORTED IN BANKING SYSTEM

Istanbul DUNYA in Turkish 5 Jun 86 pp 1,9

[Text] [Introduction] New Measures by Banks

--Increase import commissions from 3 to 6 percent.

--Reduce export commissions to as low as 0.5 percent or even eliminate them.

--Make companies find their own foreign exchange for letter of credit transfers.

--Delay letter of credit transfers by 10 days to 1 month.

--Make companies open foreign exchange deposit accounts in banks prior to letter of credit transfers and issue letters of credit in the amounts deposited.

The banks have begun taking new measures in response to the severe foreign exchange shortage that has been felt in the banking system in the last 15 days. The banks have introduced new criteria in the selection of their customers.

The banks, which cannot meet the letter of credit requests of even their most preferred customers in less than 10 days, are now asking importers to open foreign exchange deposit accounts with their own resources in order to comply their letter of credit requests.

While large exporting and importing firms have begun expediting their letter of credit formalities by depositing their own foreign currency resources in the banks, small importers have completely halted their purchases for the moment. Some small firms which insist on importing goods from abroad are trying to meet their commitments by paying the banks' higher import loan commissions which were raised from 3 percent to 6 percent. However, even under these conditions, the banks are delaying the processing of letters of credit for small import firms by 1 month.

It is reported that the banks' policy of "bring your foreign exchange and we will open a letter of credit for you immediately" for all importers, large and small, will force the importers to procure foreign exchange from the open

market after the holidays. The banks, which doubled import commissions to 6 percent, have reduced export commissions by half to 0.5 percent; some banks are even lending money for exports without any commissions. The rationale for this approach is that the banks are contemplating to use the foreign currency brought in by the exporters to relieve their own foreign exchange shortage.

While the banks make major efforts to "attract" export firms with large short-term consignments, the exporting firms have begun showing preference for banks which issue letters of credit for their imports expeditiously. A senior official of a large export-import firm whom we consulted said that because of delays in the processing of letters of credit all large export-import firms have begun working with several banks--instead of a single bank--for their export and import credit needs. The official said that, this way, a company can take its letter of credit and export credit business to the bank that has the best foreign currency position.

The most important cause of the reemergence of the foreign exchange shortage in the banking system is attributed to a 42-percent increase in the foreign trade deficit in the first 5 months of this year compared to the corresponding period of last year and the fact that the Central Bank has to make a \$750 million principal and interest payment on its foreign debt in June. Another reason that is mentioned is that the banks made major import commitments on the expectation that overseas workers will return to Turkey for the holidays and a large amount of foreign exchange will be earned from tourism. Now the time has come to honor these commitments even though adequate amounts of foreign exchange were not earned from the expected sources.

Canevi: 'Real Cause of Shortage to be Known in September'

Central Bank President Yavuz Canevi indicated that his organization is working hard to determine why the trade deficit rose by as high as 42 percent and that the Undersecretariat of the Treasury and Foreign Trade is also studying increases and declines in each category of goods exported and imported and the causes of these changes.

Stating that there are two different views with regard to the causes of the increase in the foreign trade deficit and that one of these is the expansion of imports, Canevi said:

"If higher imports are the cause of the sharp rise in the trade deficit then there is nothing to fear. But if that is not the case then steps must be taken to increase exports. Now we are waiting for the results of the work done by the Central Bank and the Undersecretariat for the Treasury and Foreign Trade."

Noting that this work will determine whether the foreign exchange shortage in the banking system is the result of the rising trade deficit, Canevi said that they will have to wait until September to see if there is a serious shortage.

Dogan Yalim: 'Shortage True for Certain Banks'

Hollantse Bank Deputy Director General Dogan Yalim said that a foreign exchange shortage exists for certain banks and that the shortage is largely

not felt at the large public sector banks. He added that Turkey has not been able to establish a foreign exchange balance since the beginning of fluctuations in the price of oil.

Noting that oil price fluctuations had an adverse effect on Turkey's exports, Yalim said:

"One of the major causes of this severe shortage is the failure of the interbank money market to function. Those banks which have foreign exchange are asking a high price for it, and the banks which need foreign exchange cannot afford to buy it. It is clear that Turkey's exports have declined and its imports have increased. The government took some measures with its 14 March decisions. But I believe that new measures will be taken in this direction."

Measures Must be Taken Before Shortage Grows

Meanwhile, a senior official of a large bank said that the Central Bank's foreign debt payments and the banks' maturing commitments caused the reemergence of the foreign exchange shortage and added that the upset foreign trade balance is the best indication of this situation.

Noting that economic data for the last 2 months indicate no increases in foreign exchange revenues from worker remittances and tourism, the official stated that the government must take immediate steps to restrict imports.

Another senior bank official disclosed that the Central Bank's 1986 principal and interest payment liability on its foreign debt is around \$3.4 billion and said that the Central Bank foresaw a foreign exchange shortage in these months and that the increase in the foreign trade deficit exacerbated the situation.

Noting that since the Central Bank predicted the shortage it may borrow more money from abroad, the official said that either foreign exchange expenditures must be reduced or foreign exchange revenues must be increased. Stating that a new devaluation to increase exports and foreign exchange revenues would be a very difficult choice, the official said that the government is most concerned about the domestic trade balance and consequently would not risk a new devaluation. Insisting that the only course open is to restrict imports, the official added that a new foreign exchange shortage could push up foreign currency prices on the free market in June.

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INTEREST-FREE BANKING EXPANDING

[Istanbul DUNYA in Turkish 5 Jun 86 p 3]

[Report by Emine Munyar]

[Text] Turkey is becoming increasingly attractive for the "special finance institutions" which operate on the basis of interest-free banking, also known as Islamic banking. It is reported that following the entry of Al Baraka Turk and Faisal Finance into the Turkish finance system 1 to 1 1/2 years ago, several capital groups from Islamic countries are preparing to form "special finance institutions" to enter Turkey. It is reported that concrete steps have been taken in this direction by groups from Egypt, Kuwait and Persian Gulf countries and that two or three applications are being reviewed for approval by the Undersecretariat of the Treasury and Foreign Trade and the Central Bank. It was learned that the processing of the application of the Egyptian special finance institution known as "Huda" has reached its final stages and that, however, no final decision has yet been taken with regard to the said applications. It is also alleged that Prime Minister Turgut Ozal's brother, Korkut Ozal, is a partner in one of these ventures, probably in the Egyptian one.

The success of Al Baraka Turk and Faisal Finance in terms of growth and profitability despite their brief history in Turkey and the fact that special finance institutions are accorded much more comfortable and flexible conditions than banks are the chief causes of attraction for Arab capital groups. It is reported that concrete initiatives have been launched in this direction by groups from Egypt, Kuwait and Persian Gulf countries, that these initiatives are being examined by the Undersecretariat of the Treasury and Foreign Trade and the Central Bank and that the Council of Ministers will make the final decision on this issue. According to information obtained from finance circles, a large Egyptian group known as "Huda" applied to the Undersecretariat of the Treasury and Foreign Trade some time ago to form a special finance institution. It is reported that the application of this Egyptian venture has the most advanced status among the ventures under study at the Treasury and the Central Bank and that the processing of the application is expected to be completed soon. It is alleged that Prime Minister Turgut Ozal's brother, Korkut Ozal, who played an influential role in the formation of Al Baraka Turk and who formed a partnership between Al Baraka Turk and the Hak Investment Corporation which he headed and partly owned at

the time, is a partner in one of the ventures--probably the Egyptian group--that have applied to form special finance institutions in Turkey.

A Central Bank official said that the Council of Ministers will make the final decisions with regard to the applications that have been filed to form special finance institutions in Turkey and that no statements can be made before final decisions are made by the Council of Ministers. The official noted that any disclosures made prior to the decisions taken with regard to the applications may lead to certain speculations.

Stating that Ankara is carefully examining the new applications for special finance organizations, officials in finance circles said: "Although special finance organizations in Turkey can perform the functions of the banks, they can operate more comfortably because they are not subject to the Banking Law. The legislation on special finance institutions includes many concessions. For this reason, Ankara makes the granting of permissions very difficult. Consequently, approval should not be expected for all applications."

Why Do They Come?

Al Baraka Turk, which realized a profit of 1.355 billion Turkish liras in 1985, attained a deposit and profit level much higher than it had planned in its first year of operation. Deposits at Al Baraka Turk rose from 12.7 billion Turkish liras at the end of 1985 to 17 billion Turkish liras as of 24 March 1986. The group's profits for the first 2 months of 1986 stood at 595 million Turkish liras. These figures clearly demonstrate the bright picture achieved by the institution during its brief duration of operations. The other special finance institution operating in Turkey, Faisal Finance, closed 1985 with a profit of 1.235 billion Turkish liras which was earned in only 9 months. Stating that profits in the first 3 months of this year has surpassed earnings in the corresponding period of last year, Al Baraka Turk Director General Yalcin Oner commented on the interest of Arab capital in this area as follows:

"The two special finance institutions have been successful and have achieved what they expected even though they have been operating for only a short time. The pace of development in terms of growth and profits is quite positive. For example, this year we will be one of the most profitable corporations in Turkey. Moreover, the net interest we pay to our depositors is at least as high as the gross interest paid by the banks. The biggest advantage of interest-free banking is trade. Our growth rate is much higher than that of the single-branch foreign banks established last year. Our profitability is also quite high. Our profits for the first 3 months of this year surpassed earnings in the corresponding period of last year. Given these conditions, it is natural that new special finance institutions will be interested in Turkey."

Noting that Turkey is a new country for special finance institutions, Faisal Finance Deputy Director General Nazif Gundogan insisted that present market conditions in Turkey can support 8 to 10 special finance institutions. Gundogan said:

"The banks' total deposits amount to 7.5 trillion Turkish liras. At present the share of the two special finance institutions in this amount is around 1 percent. Consequently, a growth in the number of special finance institutions would be a positive development. Current market conditions can support 8 to 10 special finance institutions."

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FOREIGN INVESTMENT LAW POINTS UP DEFICIENCIES IN CONSTITUTION

Istanbul MILLIYET in Turkish 29 Apr 86 p 2

[Article by Mumtaz Soysal in the column "Standpoint": "Vacuum"]

[Test] The law making possible the sale of real estate to foreigners without reciprocity was rushed through the assembly last week. It is now before the president.

In one respect, there is a different condition at issue from the first law that was annulled: The sale to foreigners of large tracts of agricultural land has been prohibited. Sale to corporate bodies and, therefore, to large companies has also been prevented. That is to say, we need no longer fear being considered a "banana republic" on lands bought by foreigners.

The law, in this form, seems to be exactly the "height of greed." Obviously, the goal is to sell a few rich Arab sheiks a few villas on the Bosphorus. The prime minister's speeches on his last trip to the Middle East imply that such a request was made to him by a few wealthy Arab leaders.

Yes, the sale of large tracts of land to companies has been prevented, but the basic reason for annulment exists the same as before: In the new law, as in the old one that was annulled, "reciprocity" is not required. Although the government of these rich people who will buy villas or parcels of land on the Bosphorus does not permit Turks to own real estate in its own country for some reason, it is granted this right in Turkey by resolution of the Council of Ministers.

Certainly, the Turks are not waiting in line to buy land in the hot Arab countries. But the Constitutional Court, quite justifiably, had annulled the previous law because it considered the granting of such a right without reciprocity to be in violation of the principles of "being an honorable member with equal rights in the family of nations."

With the thinking that if this sort of thing gets started, greater inequalities may follow.

Now, since there is no change regarding this condition, it is natural for the new law to suffer the same fate.

Then why, with one's eyes open intentionally enact such a law?

Probably, if someone wants to take advantage of the void created by today's Constitution and sell their property to someone else, the deal can be wrapped up before another annulment decision is made. Since revocation rulings by the Constitutional Court are not retroactive, the sales will remain valid.

There will be ample time to take care of business after the law has been published. Writing a petition and filing suit for annulment of a law takes a while. So does examination of the record in court. In any event, the court ruling is not sufficient; to become effective it must be published along with its rationale. Meanwhile, one who has taken the horse has long passed Uskudar [Proverb meaning "It will be too late"].

A government's desire to take advantage of deficiencies in its own constitution aside, this situation clearly demonstrates the need to reconsider two rules in the constitution.

First, annulment rulings are not retroactive. Constitutional Court rulings have no effect on actions taking place prior to their publication and effective dates. Consequently, depending on the particular case, it may be advantageous to introduce a certain flexibility into this unconditional situation.

The second concerns the date of implementation. That court rulings take effect only after they have been published with their rationale, especially in the light of some past events, may be a necessary principle. On the other hand, in some cases, such as in lawsuits where the justification is immediately understood, to prevent further injustice, a kind of "stop action" authority given to the Constitutional Court when suit is filed may prevent injustice from continuing further.

The time has come to start paying attention to these kinds of technical deficiencies, not just the political prohibitions, in the Constitution and to start thinking about the necessary amendments. Otherwise, what ought to be a living test will become the largest obstacle in front of society's dynamism. And in the end, it will fall.

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ECONOMIST ARGUES AGAINST PRIVATIZATION

Istanbul MILLIYET in Turkish 1 Jun 86 p 10

["Thoughts of Thinkers" column by economist Birgen Keles: "SEEs are the Public's Property"]

[Text] The State Economic Enterprises [SEEs] were established for political, economic and social reasons. Some of these reasons were: to preserve the nation's independence and its freedom of decision over strategic issues, to realize large investments, to pioneer the establishment of new industries, to create job opportunities, to prevent excessive profits, to make the public benefit from high profits and to provide revenue for the government budget.

Deficiencies in the functioning of the SEEs have been the subject of many studies. The problems generally stem from political pressures, and their solutions are known. Even so, since the 1950's the SEEs have been blamed for every malfunction in the economy whether they were related to the SEEs or not. Since 1980, the sale of the SEEs' revenues and shares has been discussed extensively.

Two major steps in this direction were the enactment of Law No. 2983 on the Encouragement of Savings and the Acceleration of Public Investments on 29 February 1984 and the publication of the Governing Statute on the Public Partnership Fund in Edition No. 18514 of the Official Gazette on 11 September 1984.

The purpose of the said law was to permit the government to transfer, by a council decision and without any oversight, the revenues, ownership and operation rights of public corporations to the private sector and foreigners by selling revenue sharing bonds, common stock and management rights.

The sale of the revenues of public corporations has begun. Shares of public corporations may sold to domestic and foreign investors. It is planned to sell the most profitable public corporations first.

The SEEs were established with taxes collected from the people. Thus, the government must spend their profits for the public. Otherwise, the people will have paid the costs, but the profits gained as a result of this expenditure will be turned over to a few domestic and foreign firms. In addition, the revenues earned by the sale of the SEEs which could be used by

future governments will be at the disposal of only this government. Moreover, the people who paid the taxes to establish the SEEs will be deprived of ownership rights over them. It will no longer be possible to use the SEEs' vast production capacity to implement policies in favor of the people, to guide the economy and to accelerate growth.

Since 1980, it has been a policy goal to reduce the share of the public sector in the economy. For example, a steadily declining portion of investments come from the public sector. In practice, too, some public sector projects have been dropped from government programs as part of this goal. The public sector's share of Central Bank loans has been cut and easements previously granted to the public sector have been eliminated one by one. Despite these measures, the public sector has become a source of stability during this period by growing more than expected, and today it constitutes half the economy.

The reasons for the establishment of the SEEs are still valid today. But apart from that, in a country with Turkey's conditions the issues of opening new job opportunities to the unemployed and the young, solving the country's problems, utilizing resources most efficiently, closing the development gap between ourselves and the developed countries and accelerating industrialization and development cannot be left to the profit-motivated decisions of a few domestic and foreign firms.

The existence of the SEEs is essential not only to attain modern civilization levels by solving economic and social problems, but also to defend the country's interests against foreign pressures, to persist in that defense and to preserve the country's integrity and independence. In sum, the SEEs are the public's property and must remain the public's property.

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CONCERN THAT EEC DUMPING ENDANGERS AGRICULTURE

Istanbul CUMHURIYET in Turkish 29 Apr 86 p 9

[Text] ECONOMIC SERVICE--"Turkey's agricultural sector, which has the biggest chance of competing in the EEC, is in serious danger," said Ali Nail Kubali, general coordinator of Yasar Holding Company.

Kubali, who drew attention to the serious crisis in the Turkish agricultural, livestock, and dairy industry because of the EEC's conscious implementation of dumping and subsidies, said, "Turkey can only compete in the EEC with agriculture-based products, not automobiles or refrigerators."

Kubali said that although industrial products are said to have more than a 70 percent share of Turkey's exports today, most of the items that are called industrial products are processed agricultural produce. He stressed that agriculture and agriculture-based products constitute around 70 percent of total exports. Maintaining that agriculture and agriculture-based products are vitally important to Turkey for both development and increased exports, Kubali said, "Moreover, the agricultural sector, which needs to be scrupulously watched over, is being neglected today. The agricultural sector is being consciously demoralized and weakened, on the one hand by means of the EEC's subsidies and protection systems, called common agricultural policy, in our own country and on the other by its import quotas."

Ali Nail Kubali gave the following statistics regarding the unfair terms of competition with the EEC in agricultural produce and livestock:

"In 1984, we had imported 2,700 tons of powdered milk from the EEC. In 1985, with a large increase, powdered milk imports reached 7,552 tons. Furthermore, the EEC gives a large subsidy to powdered milk. In statistical terms, while the average selling price of powdered milk is \$1,600 per ton within EEC nations, the export price of the same product is \$880. That is to say, the EEC producer of powdered milk is getting a \$764 subsidy for each ton of powdered milk he exports under the common agricultural policy. Dumping of powdered milk will kill the milk industry of a nation subjected to it.

"Turkish meat producers are also faced with dumping at \$600-\$700 a ton."

After giving these figures, Ali Nail Kubali warned, "Would the European buy a Murat when there is a Fiat, would he buy an old Renault when there is a new model? If tomorrow or the next day we enter the EEC, what product of ours can give us a foothold there?"

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EEC IMPORTS SEEN AS CAUSE OF CRISIS IN AGRICULTURAL SECTOR

Istanbul DUNYA in Turkish 5 Jun 86 p 9

[Text] Izmir--A report prepared by the Assorted Foodstuffs Committee of the Aegean Chamber of Industry outlines the existing difficult conditions of the Turkish livestock sector and examines the causes of the crisis and the steps that need to be taken to resolve it.

Stating that the meat and milk produced by productive cows today cannot even cover the animals' feeding costs, the report says that the cows are being slaughtered by the farmers and that, as a result, feeding farms and combines are being shut down with adverse effects on our agricultural industry.

The report outlines the causes of the crisis in the poultry, meat, dairy product and animal feed sectors and the steps that need to be taken to resolve the problems as follows:

"The loss of export markets in poultry products is the result of excessive price cuts caused by excessive competition among exporting capital firms. Another factor is the excessively low domestic consumption of eggs. The problem in the meat sector is of wider proportions. The EEC countries have turned Turkey into a dumping ground for their products with subsidies of as high as \$1,000 per metric ton as indicated in their official documents. EEC meat exports to Turkey rose from 700 metric tons in 1984 to 38,000 metric tons in 1985. The crisis in the milk, butter and cheese sector is the result of dumping practices used by the EEC through substantial subsidies particularly on powdered milk, butter and cheese. Moreover, while interest rates on agricultural loans to all sectors have increased to over 40 percent, many operations are forced to use regular commercial loans at nearly 70 percent interest as a result of the crisis they are facing. The crisis in the animal feed sector was born out of the problems of the poultry and livestock sectors."

Noting that the crisis in the livestock and agricultural industry can be overcome by taking certain measures, the committee report enumerates the steps that need to be taken as follows:

"EEC meat exports to Turkey must be stopped or restricted by quotas. The import tax assessment made on EEC meat imports must be raised to \$1,000 per metric ton which is the amount of subsidized by EEC. The meat import quotas

must be distributed among industrial organizations which are direct producers. The proposals made with respect to meat imports should also apply to milk, powdered milk, butter and cheese imports. The funds collected through assessments on agricultural imports must be used to provide medium-term loans with not more than 10 percent interest as special and urgent assistance to the poultry, livestock and animal feed sectors which are facing a serious financing crisis."

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AGRICULTURAL CHAMBERS OPPOSE INSTALLMENT PAYMENTS TO FARMERS

Istanbul TERCUMAN in Turkish 1 Jun 86 p 6

[Report by Hayri Berkay]

[Text] Ankara--The Turkish Union of Agricultural Chambers [TUAC] opposed the installment payment system for wheat purchases from farmers. TUAC President Osman Ozbek said that the farmer, who already faces financial difficulties, "will not be able to do anything" with the payment of the 60 percent of his crop's value. Ozbek said: "It is unfair to punish the farmer in order to prevent the money supply from rising. Those working in agriculture cannot withstand such a burden."

'We Will Sell to Merchants'

Noting that the Soil Products Office [SPO] is planning to buy 250 billion Turkish liras' worth of grain this year, Ozbek insisted that the installment payment system will force the farmer to sell his crop to merchants. Ozbek said:

"According to the decision that has been taken, SPO will pay 60 percent of the value of the crop it buys in advance and will pay the balance in installments over a period of 2 or more months. The producer who still owes money from last year will be forced to sell his crop to the merchants because the money he will get from SPO will not solve his difficulties. The 2-lira late payment differential paid for crops bought on installments is at least twice as low as interest rates paid by banks."

'We Are Losing Iranian and Iraqi Markets'

Noting that competition in world markets has become steadily more ruthless, Ozbek insisted that we are about to lose the Iranian and Iraqi markets--which hold a major export potential for Turkey--because of "excessive dumping practices" used by the EEC. Stating that produce prices and production levels in Turkey must not be too different from world standards and EEC prices, Ozbek said: "Imports of food products must be completely halted and the imbalance in the domestic market must be ended."

Commenting on the freeing of fertilizer prices, Ozbek said that the results of that "will be seen in practice." Noting that the entry of the private sector

into import of fertilizers may result in an increase in prices, Ozbek said: "Our only guarantee is the Prime Minister's word. The Prime Minister told us: 'Even if the prices rise we will give you fertilizers at a lower cost.' But we are worried that fertilizers may go to the black market by the intrigues of the merchants."

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OZAL ON GROWING PROTECTIONISM AS THREAT

Istanbul CUMHURİYET in Turkish 29 Apr 86 p 9

[Report on Prime Minister Turgut Ozal's opening speech at FAO 15 European Region Conference]

[Text] ECONOMIC SERVICE—Stating that Turkey's agricultural subsidy and import tariffs on agricultural products are very low, Premier Turgut Ozal said, "The developed nations are directing a large portion of their energies to defending their protectionist measures." Remarking that he believed the increasing tendency toward protectionism would be curbed at the GATT discussions which are beginning soon, Ozal said, "I do not believe Europe has the ability to combat hunger, malnutrition and poverty."

The 15th European Region Conference of the United Nations Food and Agricultural Organization (FAO) started with Turgut Ozal's speech at the Sheraton Hotel in Istanbul yesterday. The conference that will end Friday, 2 May, is being attended by representatives of 29 nations, 13 of whom are cabinet level. Secretary of Agriculture, Forestry and Village Affairs Husnu Dogan, elected chairman of the meeting attended by the United States, Canada and the Vatican as observers, and FAO General Director, Edouard Saouma each gave a speech. In his opening speech, Prime Minister Ozal, recalling that many nations have food shortages, said, "Yet, in Europe, there is no problem with lack of food. The existing problem is how they will use production surpluses." Remarking that the production surplus stems from subsidies given to agriculture by developed countries rather than from technology, Ozal pointed out that one of the most dangerous factors in this issue is protectionism, and added, "Although the damage done by protectionism is known, nothing is being done to abolish it. Instead of reversing the protectionist tendency through structural adjustment policies, the developed countries, individually or collectively, are directing a large portion of their energies toward defending their own protectionism."

Remarking that, also, from time to time, the prices of agricultural products have fallen because of the developed countries' attitudes, Ozal said, "Meanwhile the developing countries' revenues show a downward trend, while their debts are increasing. Internal protectionist policies in agricultural trade among large countries and groups of countries are dangerously increasing tensions."

Characterizing protectionist policies as "narrow minded," Ozal continued, "This is not very encouraging for countries like Turkey that have started to implement liberal policies," and added:

"In Turkey, agricultural subsidies and import tariffs on agricultural products are very low. Nevertheless, we are called upon to compete with industrialized nations' exports which are supported by large subsidies. The GATT discussions that will start soon will be an important test, especially for the leading trade nations. We believe that at the conclusion of these discussions, protectionist measures will be reversed."

Touching upon the European production surplus, Chairman of the FAO European Region Conference and Secretary of Agriculture, Forestry and Village Affairs Hasnu Dogan said, "The well-fed cannot comprehend the plight of the hungry [Proverb]. Asserting that the short-term solution to world hunger is to transfer production surpluses in Europe to these countries, Dogan remarked that there is a need to increase cooperation in regard to these issues and concluded by saying:

"Differences in political, economic and social systems cannot prevent intensive cooperation."

FAO General Director Edouard Saouma, the General Director of FAO, who gave a speech during the opening of the conference, also drew attention to the "crisis" of surplus production in the European countries and said, "The crisis in the north can be a real opportunity to solve the hunger problem in the south." He said that it is necessary first, to provide aid to African nations suffering from severe starvation and later to give these countries technical aid to ensure increased agricultural production. Saouma pointed out that aqua-production in Europe, the detrimental effects of pesticides on food, and environmental pollution in Europe were on the conference agenda.

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CRUDE PURCHASES, USSR, OTHER PIPELINE PLANS

Istanbul DUNYA in Turkish 28 Apr 86 p 3

[Text] NEWS CENTER - Minister of State Kazim Oksay said that Turkey has made purchases of 424,000 tons of crude oil on the spot market since the first of the year. He said that Turkey had paid between \$10.84 and \$18.34 per barrel for the crude under netback agreements, the price depending on the gravity of the oil. Kazim Oksay stressed that a savings of \$1 billion would be realized this year from the drop in world oil prices and said that the government was not considering reduction in domestic oil prices due to the declining prices.

Minister of State Kazim Oksay spoke at a press conference called to discuss "our crude oil importation policy and developments in our oil sector as affected by new world oil prices." The press conference was attended by the general directors of TUPRAS [Turkish refineries corporation], BOTAS [Pipelines and Petroleum Transport Corporation], the Petroleum Office and TPAO [Turkish Petroleum Corporation].

Minister of State Kazim Oksay said that Turkey's plans had not called for its 1986 crude oil needs to be met by Iran, Iraq, Libya, Saudi Arabia, Algeria and the PRC, that two crude oil agreements had been signed, one for 3 million tons with Libya at official oil prices in 1985 and one for 6 million tons with Iran in 1986, that when world oil prices dropped significantly in the last week of January, TUPRAS had asked the suppliers to revise the crude oil agreements and crude oil prices according to the "netback" principle. He said:

"Those countries had been told that no reduction could be made in the official price until an agreement was reached. So a netback agreement for 1 million tons was concluded with Saudi Arabia and an agreement for 4 million tons with Iraq. In addition to this agreement, the 1-million-ton Safiyat/Aynzallah agreement for crude oil trucked from Iraq was also converted to netback. While an agreement for 500,000 tons based on the same principle has been concluded with Algeria, a 500,000-ton agreement is expected to be signed with the USSR in the next few days. The barrel price of crude oil to be purchased within the framework of these agreements will vary between \$10.84 and \$18.32. The netback crude oil agreement with Libya for 1.7 million tons will be realized, while netback price negotiations are still in progress with China and Iran. Discussions are also being held with Kuwait and Abu Dhabi for the purchase of crude oil."

In answer to a question about the effect of falling prices on domestic oil prices, Kazim Oksay pointed out that they, the government, were not considering any change in domestic oil prices. "One reason for this is that oil prices will not be this low in the long term. The oil-producing countries are doing everything possible to get out of what to them is a crisis. What has to be done in this regard is for the oil producing countries to agree among themselves and set definite quotas for production. If they can do this, oil prices will be higher than they are today. It is hard to guess how long this will take. In a market in such a state of flux, we are not considering a change in the prices of oil sold domestically," he said.

Noting that, considering the decline in Turkey's oil import figures from the earlier price of \$26-\$27 a barrel to \$10.84 and \$18.32, a savings of at least \$1 billion in foreign exchange would be realized this year, Kazim Oksay stated that it would only be "guesswork" to say now how this resource would be used. He said that 80 billion liras had been appropriated for oil exploration.

Oksay indicated that how far oil prices continue to decline would depend on developments as well as relations with one another of the OPEC countries and the results of the meetings they hold. He said that, if the oil producing countries could not pay their debts, it would be necessary to take into account how well they could tolerate low oil prices for a long time or disruption of their own national economies and whether they would intervene.

Noting that no one could expect Turkey to buy oil at the high price despite the agreements concluded earlier, Oksay emphasized the efforts that had been made to procure crude oil on the spot market if it was needed and could be found more economically than from the countries with which agreements were concluded, resulting in the purchase of 424,000 tons of crude oil on the spot market since the first of the year.

TUPRAS General Director Mufit Nayir later gave information about TUPRAS' efforts. Nayir said that construction of the Central Anatolia Refinery at Kirikkale was progressing and that they expect the power plant to begin service in June 1986 and the crude oil unit, by the first of the year.

BOTAS General Director Nezihi Berkkan gave information about the Soviet natural gas pipeline, explaining that the pipeline would be managed through a main command and control center to be built in Ankara. He said:

"Four consortiums were formed after the invitation to bid was extended to domestic and foreign firms. The project and bid papers have been delivered to the consortiums. BOTAS will accept proposals until 17 June. Proposals must show credit arrangements for equipment and materials to be imported and foreign contracting services. We estimate that evaluation of the proposals, procurement of credit and signing the contract will be completed in September."

He said that it was hoped that the section of pipeline between the Bulgarian border and Hamidabad would be operational within 6 months of signing the contract with the consortium whose bid is selected, that the Hamidabad-Anbarli section would be serviceable by April 1986 [as published] at the latest and that, if site delivery took place on 1 September, the pipeline would reach Ankara by June 1988.

Berkkan, noting that work continues on the Iran natural gas-crude oil pipeline project, said that the Qatar-Turkey natural gas pipeline may serve as a basis in principle for a line stretching into Europe.

Nezihi Berkkan stated that, among the product pipelines to run to consumer centers from the Central Anatolia Refinery, under construction at Kirkkale, the Kirikkale-Ankara line was placed in BOTAS' 1986 program and added that construction was under consideration of product lines running south and north from Izmir-Aliaga and Central Anatolia Refineries. "The western terminal studies made at the terminal site selected in Marmara-Eregli have been completed and project feasibility studies will be drawn up as soon as possible by BOTAS," he said.

TPAO General Director Ozer Altan said that production of 1,134,344 tons of crude oil and 503.9 million cubic meters of natural gas had been included in the 1986 program and said, "Two petroleum exploration projects have been conducted in the Akpinar and western Euphrates areas in the past 3 months."

8349

CSO: 3554/58

OVERVIEW OF CEMENT INDUSTRY

Production Will Meet Demand

Istanbul DUNYA in Turkish 5 May 86 p 7

[Interview with Tufan Unal, managing director of the West Anatolian Cement Factory by correspondent Adnan Caglayan: "The Cement Industry Entered 1986 on A Hopeful Note"; date and place of interview not given]

[Excerpt] Managing Director Tufan Unal of the West Anatolian Cement Factory noted that the increase in domestic cement consumption which began in 1984 continued at an even faster pace in 1985. He believes that this positive state of affairs for the cement industry will continue in 1986.

Unal, who noted that last year cement consumption in the Aegean region showed an 11.3 percent increase, said he anticipated an 18 percent growth in cement use in 1986.

In this context, Unal mentioned that this increase in the rate of consumption is true for other regions of the country as well. He cautioned that in some regions of the country there may be shortages and he noted that the implementation of new policies could prevent this situation from developing. Unal responded to DUNYA's questions on developments in West Anatolia cement production and the cement industry as follows:

DUNYA: If one thinks about keeping the increase in cement production in step with the increase in demand, and if this increased production has to come from within the country, then there are certain problems that inevitably accompany increased demand. Looking at the questions of costs, prices, and employment, what sort of strategy will West Anatolian Cement pursue?

UNAL: I believe that our country's cement production can meet demand. There had been speculative activities in certain regions, but because in the Aegean region we will have sufficient capacity to meet demand, I do not see us running into any major problems. Whatever happens, West Anatolian Cement--because it pays particular attention to the domestic market--will meet demand. We will not have any problems regarding employment. We implemented our collective bargaining agreement on 1 January 1986 and our production will increase by approximately 42 percent the first year and 35 percent the second. It is a bit

harder to say the same things about costs and prices, the main reason being that energy is constantly increasing its share in costs. This year energy constitutes 38 percent of our costs. Also if you consider the increase of 550 TL per ton to the funds added as a result of the price decontrol at the end of last year, the wage increases we made so that our workers would not be unfairly hit by inflation, the very significant investments we made to bring the latest technology to our factory's field operations, then it is clear that cost increases were inescapable. Of course, in turn, that meant price increases were inevitable too. We have decided to direct our efforts at minimizing the effect of external events on consumption. Of course, this effort of ours aimed at protecting consumption cannot solve the problems. However, especially if energy maintains its current share of our operating costs, and if they put into practice one short term solution after another that place heavy burdens on operations then our current status will not change.

Production May Not Be Adequate in 1990's

Istanbul DUNYA Supplement in Turkish 5 May p 4

[Interview with Burhan Evcil, general director of Bursa Cement A.S.: "Cement Production May Be Inadequate in the 1990's"; date and place of interview not given]

[Excerpt] In an analysis of cement production and consumption in Turkey, Bursa Cement A.S. General Manager Burhan Evcil said that in recent years, there has been a revitalization of the construction industry and as a result, domestic cement production has been on the rise. If this construction boom continues into the 1990's, he asserted, cement production in our country will be unable to keep pace. Mr. Burhan Evcil responded to DUNYA's questions regarding the construction industry and his company's activities as follows:

DUNYA: Would you give us your appraisal of the construction industry in 1985 and did cement production rise or fall in that year?

EVCIL: As you know, the stabilization measures taken to correct the economic mess of 1979-80 had a dampening effect on a number of sectors of the economy including construction. Thus cement production dropped sharply between 1980 and 1984. Per capita cement production in Turkey in 1978 was 325 kilograms and, despite the rise in population, it fell to about 250 kilograms from 1980 through 1984. However, in 1984, due to a number of factors such as the restoration of peace and security in our nation, the stabilization in the political and economic arenas, the implementation of the comprehensive housing law and the priority given to infrastructure investments, the construction sector came alive. That trend continued in 1985. As a result of this reinvigoration of the construction industry, domestic cement production climbed 17.5 percent in 1984 and 16.2 percent by year's end of 1985. If this increase continues for the next few years, best estimates are that by 1990, cement production will not be able to keep pace with cement demand in Turkey.

DUNYA: Is the Bursa Cement Factory able to meet only Bursa's needs or can you produce for the whole of Turkey?

EVCIL: By and large, our factory meets the needs of Bursa and its surroundings and we have planned that by 1990, we will fill the cement needs of the entire district.

DUNYA: What was your production in 1985 and what are your goals for 1986? Do you do any exporting?

EVCIL: We reached our target figures for 1985. We produced 500,102 tons of cement. Of that, we sold 489,062 tons domestically and we exported 10,850 tons. For 1986, we have planned for 550,000 tons for domestic use and 50,000 tons for export; in other words our target is 600,000 tons of cement production. We are doing all we can to promote the use of poured cement in internal consumption. However, the habit of using bagged cement will remain hard to break.

Cement Production, Domestic Consumption Figures

Istanbul DUNYA Supplement in Turkish 5 May 86 pp 1, 9

[Excerpt] Linked to the establishment of the collective housing fund in 1984, construction sector activity has picked up speed and this is tangibly reflected in the cement industry. Domestic cement consumption which had remained at about 12 million tons per year from 1980-83, climbed to 13.6 million tons in 1984 and 16 million tons in 1985. The increase which has gained even more momentum in the first quarter of 1986 has required some imports of cement in the Istanbul region. Domestic consumption has approached 2.9 million tons in the first 3 months, an increase of 54.3 percent. There has been a 26.7 percent increase in production which totaled 3.3 million tons. In the face of this increased domestic consumption, there has been a corresponding drop in exports of cement.

The establishment of the collective housing fund in 1984 and the financing of the construction industry from the fund has revitalized both the construction sector and the industrial branches which supply it. Along with the increase in the number of private and collective firms involved, collective housing project capacity has grown to 30-40,000 housing units. The investments made over the past 2 years have had a direct impact on the production and sales of the industrial branches that feed into the construction sector. At the head of these is the cement industry. In 1980, domestic sales of cement stood at 12.1 million tons and that figure dropped in subsequent years. As late as 1983, the figure had fallen to 11.6 million tons. Then sales began to climb again. In 1984, the figure reached 13.6 million tons and in 1985, 16 million tons. In the first quarter of 1986, domestic consumption was up 54.3 percent over the corresponding period the year before, reaching a record level. The concern that the growth in consumption--particularly in the Marmara region--will exceed existing production capacity by four million tons at year's end has opened the door somewhat to cement imports. The increase in internal demand has had, of course, the opposite effect on cement exports. These which in past years have approached 2000 [sic] tons stood at 469,000 tons for the first quarter of 1986, a 35.2 percent drop.

Below are statistics giving cement production by region in our country. All figures are in thousands of tons.

Table 1. Cement Production by Region

<u>Region</u>	<u>Production Capacity</u>	<u>1984 Production</u>	<u>1985 Production</u>
Marmara	7230	4762	5218
Aegean	2840	1895	2061
Mediterranean	3480	2479	3157
Interior Anatolia	4110	2755	3037
Black Sea	2830	1771	1911
East Anatolia	1270	919	788
South Anatolia	3540	1157	1429
Totals:	25300	15738	17601

12280

CSO: 3554/75

BRIEFS

IRAQI PIPELINE CONSTRUCTION BEGINS--The construction of the second oil pipeline the county of Yumurtalik has begun. The second oil pipeline which will run from Kirkuk in Iraq and to Yumurtalik will be 930 kilometers long. The Iraqi government will build 530 kilometers of the pipeline, while the remainder will be laid by Turkey. The pipeline, whose construction began in the Karacadag region of the county of Siverek, will be made up of pipe segments each of which weighs 5 metric tons and measures 13 meters in length, 2 centimeters in thickness and 1 meter in diameter. The segments used in the building of the 100-billion-lira pipeline are imported from Italy. The pipe segments which were brought from Italy to the port of Iskenderun by sea are then carried by trailers and trains to the counties of Akcakale, Ceylanpinar and Nusaybin. [Istanbul MILLIYET in Turkish 31 May 86 p 3] 9588

CSO: 3554/99

SCANDINAVIAN HOME GUARDSMEN COMPETE IN WAR SKILL EXERCISES

Oslo AFTENPOSTEN in Norwegian 16 Jun 86 p 36

[Article by Kai Ove Evensen: "Scandinavian Home Guard Meet"]

[Text] The men of the Norwegian Home Guard emerged victorious in the national competition (2,686 points) with sweet brother in second place (2,405) and the Danish "fatigues" in third (2,373 points). The Bodo Home Guard Regiment was the clear winner in the team competition ahead of LV Home Guard Flesland and the Swedish team from Norrkoping. A team from Fornebu won the limited fire assault competition.

This year's Nordic airport defense championship took place with live ammunition in the guns and holiday "fatigues." From Denmark, Sweden and Norway teams from the respective countries' home guards participated, all with their trigger fingers in top form. But the prerequisite for the competition's taking place was that the Danes should get to see the World Cup match Friday between Denmark and West Germany. Otherwise they would not come.

"To the extent that we could, we had to try to satisfy the wishes of the soccer-loving people from the south, so we rigged up video and television the night before," Lieutenant Lauritz Dorenfeldt said.

Beginning at 0600 Saturday morning breakfast was had by [Lake] Lutvann, then departure for the shooting course at Lovensjold and Sorkedalen immediately thereafter. Excellent prizes were an attraction of the contest, and the desire to do one's best was as could be expected. There was competition in eight exercises, precision shooting, two field shootings, guard duty, medical service, target detection, estimating distance and hand grenade hurling.

"The competition rotates among the participating countries. In all 96 men take part, and the championship is being held for the 23rd time. We think the competition advances Nordic cooperation and in addition we trade experiences. But we should not forget the social companionship either, which means a great deal during such an exercise," Dorenfeldt explained.

The teams from each country have been through a number of selections before they were sent to the championship. And at the end of the weekend each one of the Home Guard soldiers will return home to his civilian duties, ready for both more soccer and sharpshooting.

NAVY'S NEW COMPUTERIZED COMMAND CONTROL CENTER INAUGURATED

Copenhagen BERLINGSKE SØNDAG in Danish 1 Jun 86 Sect II p 1

[Article by Nils Eric Boesgaard: "New Computer Tells Everything About Foreign Warships"]

[Text] The navy's headquarters in case of war, SOK [Naval Operational Command], in Århus, known for its many skillful helicopter rescues in our waters, will inaugurate on the 25th anniversary of its establishment a new electronic command system.

"The Naval Operational Command reports that those in distress have been found and have been rescued safe and sound."

This laconic report can be read in the newspapers or heard on the radio countless times the year round when commercial or pleasure sailors have fallen into distress.

In the view of ordinary Danes, the naval headquarters, SOK in everyday parlance, is a kind of "Falck's Rescue Corps for seafarers," and it is the fewest who know that the bunker with the command center in the wooded cliffs near Århus Bay is in reality primarily the navy's war operations center with wide-ranging duties and powers in the defense of Denmark, deep into the Baltic or along the west coast of Jutland.

"Today it is 25 years ago that the Naval Operational Command was established by a uniting of what then was called the Coastal Fleet and the Coastal Fortifications. The background was that our NATO membership had made it desirable to create a command organization which covered all of the navy's operational functions," the commander relates, Rear Admiral Jørgen F. Bork.

Queen Visiting

The day will be celebrated by a visit by the queen, who is coming to Århus on board the royal yacht, the Dannebrog. There will be a celebration service in the Cathedral, and after that her majesty will visit the bunker and push the button which starts SOK's new electronic waters surveillance system, the "FOD CCIS" (Flag Officer Denmark Command Control Information System), which

in ordinary language translates to the Naval Operational Command command, control and information system.

The new computer system makes it so that at any time all foreign ships in Danish waters can be monitored. It makes it possible, among other things, for Danish naval vessels, on the basis of very few radar observations of a foreign naval vessel, to display on the screens in the command room all this vessel's relevant data.

"SOK's most important duty is the naval defense of Denmark and the protection of shipping in times of tension and conflict. Special emphasis is placed on preventing an invasion anywhere in the country, on safeguarding communications between sections of the country and on protecting those ships which will carry allied reinforcements."

Six Hundred and Ninety-Nine Rescue Operations in 1985

"Operational means active, and SOK has its name precisely because all the navy's units which are constantly prepared for an effort are under SOK. The operational units are the fleet with ships, helicopters, the coastal defense system, naval districts, coastal radar stations and forts. About 2500 people out of the navy's total personnel force of 7000 men and women are employed in peace time within SOK's area of responsibility. Geographically the staff is scattered from Greenland to Bornholm," Rear Admiral Bork relates.

Surveillance of the waters is SOK's most important peacetime duty. This concerns, in this connection, first and foremost seeing to it that Danish sovereignty is not violated and seeing to it that maritime law is not broken. However, the best known peacetime duty is the sea rescue service, which is coordinated from the rescue center at SOK in Århus.

In connection with surveillance of the waters, SOK fulfills a number of other duties of a community nature. This includes fisheries inspection, combating pollution, disarming of remnants of the war (mines and ammunition), the navigation radio report service (among other things, ice reports), as well as police and customs duties.

"Six hundred and ninety-nine rescue operations were begun in 1985. This is the lowest figure for the last three years. The blackest day is still 22 June 1983, a nice summer Sunday, when the weather suddenly and inexplicably changed so that hundreds of yachtsmen were caught in a terrible storm and SOK had to begin 32 rescue operations," the day-to-day leader of the rescue service, Commander H. Elbro, relates.

Shipwreck of the Rocinante

The sea rescue service is conducted in close cooperation with the air force, whose rescue helicopters take part in about one third of all rescue missions. In addition, SOK is in close contact with the sea rescue agencies in all our neighboring countries, and the system is generally that the country which has

rescue materiel closest to the accident or search area attends to the mission.

"In the direction of my binoculars were two lighthouses; hey, Nina, we will hold on further. We are saving time and a lot of fuss while we near the Point. We are going by motor, for the wind is light, but the fuel in the tank will soon be gone. But we both hope soon to be able to slip around the Point with the craft."

Thus Graduate Engineer Erik Eckert wrote in 1977 a 15-stanza poem of thanks to the Naval Operational Command and the crew of the 722nd Squadron's helicopter after they jointly had rescued him and his wife Nina from their run-aground yacht the Rocinante out of Rungsted.

For things went wrong in rounding Zealand Point. The boat went aground, and when all attempts to get it off ground had proven to no avail, there was nothing else to do than to fire off two red distress flares. They were, Erik Eckert relates, observed by another pleasure sailor with a radio on board and 37 minutes later they were taken on board the helicopter, whose crew acted exemplarily friendly and helpful.

"But when we, deeply moved by their rapid and efficient effort, thanked the helicopter people, they made no secret of the fact that they were certainly not used to this. Most people they helped regarded the effort as a matter of course, if they were not even directly insolent because they thought that it had been too long before help got through," Erik Eckert says. "For this reason we thought that they should have a poem of thanks, freely after Blicher's 'Søren Kanne.' It was even published in RANDERS AVIS--the same place Blicher's poem appeared the first time."

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CSO: 3613/156

ARMY ORDERS ADDITIONAL CARL GUSTAF SHOULDER ANTITANK WEAPONS

Copenhagen AKTUELT in Danish 2 Jun 86 p 5

[Article by pmr: "Tapered-Bore Guns for 68 Million Kroner"]

[Text] Slagelse. How many have been bought and what they cost apiece is a secret, but since 1982 the Danish army has received 152 million kroner for the purchase of a new lightweight tapered-bore gun--the so-called "Carl-Gustaf."

The first order to the Swedish plant, Förenade Fabriksverken, was in 1982, for 84 million kroner, and the weapons have been delivered. Since then the Army Materiel Command decided to purchase an additional number of Carl-Gustafs for a total of 68 million kroner, and the new and improved lightweight tapered-bore guns will be put into service in the army in the course of the summer.

The new Carl-Gustaf was introduced the other day at an occasion for the Zealand Life Regiment at the Antvorskov Barracks near Slagelse, with 179 retired officers as expert onlookers.

The gun, whose official designation is the M/85 84-mm tapered-bore gun, weighs only 10 kg, which is half what the old model weighed, and it is to be used by detection and surveillance units, and some of the army's engineering units will also get the new tapered-bore gun.

In order to utilize the Carl-Gustaf as best possible, the army is also getting a new range finder with a laser system which can measure distances accurate to 5 meters within the range of 150 meters to 10 kilometers.

The 179 retired officers were also able to see the country's G.I. Joes get new battle uniforms, new sleeping bags and new radios.

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CSO: 3613/156

DEFENSE MINISTER: FOUR COUNTRIES IN RACE TO SELL MISSILES

Copenhagen AKTUELT in Danish 5 Jun 86 p 5

[Article by Bj.: "Four Countries Want to Sell Us New Missiles"]

[Text] Sweden, France, Great Britain and the USA are in the picture when the Danish armed forces are to buy new missiles and to modernize the close-range air defense system for a good 1.1 billion kroner. Danish firms will have an opportunity to get to coproduce the new weapons.

Although the American Congress is in the process of approving the sale of 336 Stinger air-defense missiles for \$65 million (just under 650 million kroner) to the Danish armed forces, this is not synonymous with the fact that Denmark will buy the American missiles. Defense Minister Hans Engell (Conservative Party) reports that the armed forces are discussing received offers of four different missile systems and that the decision will be made first at the end of the summer or at the beginning of the fall.

The American secretary of defense has asked Congress to approve a contract for the sale to the Danish armed forces of 336 Stinger missiles, which can be operated by a single man and carried on the shoulder. But the defense minister calls it a misunderstanding to think that this means that Denmark will say yes to the Stinger. An American approval does not bind Denmark. However, such is the procedure in the USA. When the defense authorities have made an offer for the sale of weapons, it must be submitted to Congress, so that permission can be ready if the deal goes through, Hans Engell says.

Appropriation of 2.2 Billion Kroner

The purchase of missiles for the close-range air defense system is part of a larger total appropriation for new procurements for the armed forces to the tune of 2.2 billion kroner, which the defense compromise parties agreed to in the spring. Of this a good 1.1 billion kroner are to be used just for building up the close-range air defense system. The total appropriation was just about to hit the floor when the Social Democratic Party as a provision for the approval of new procurements required assurance that Danish firms would get a share in coproduction and demanded that several missile systems be included in the deliberations.

The Social Democratic Party's defense policy spokesman, Knud Damgaard, is satisfied with the defense minister's denial of the fact that the deal with the USA has already been entered into. It would be totally contrary to the stipulations the minister consented to regarding inviting offers for various missile systems and assurance of the greatest possible coproduction by Danish firms out of regard for Danish industry's technological development, he says.

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CSO: 3613/156

LEFT'S CHAMPIONING OF 'NONOFFENSIVE' MILITARY SPURS DEBATE

Copenhagen BERLINGSKE AFTEN in Danish 6-12 Jun 86 pp 1, 12

[Commentary by Solveig Rødsgaard: "Defense Minister: Fixed Ideas Cannot Substitute for Lacking Appropriations; Now the Battle Regarding a Nonoffensive Defense Begins"]

[Text] The negotiations regarding the coming defense compromise will be prepared for in good time. The Social Democratic Party is discussing the presentation for a nonoffensive defense system, and the government is also getting under way with thoughts about the armed forces' future structure.

It will be necessary to have a comprehensive debate regarding the Danish armed forces' structure and mission in the years to come, and it will not be enough just to adjust the defense system we know today. For this reason Defense Minister Hans Engell wants already now to begin to prepare the presentation which the government will submit for the coming negotiations regarding a new defense compromise. At the same time the Social Democratic Party is at the moment discussing a debate presentation concerning a non-offensive defense system. A presentation whose main elements are expected to become the Social Democratic overture to the defense negotiations.

Regardless of the fact that the government is in advance very critical about a proposal for a so-called nonoffensive defense system, there are some politics to the issue. The debate in the SF [Socialist People's Party] about the defense system, the Social Democratic Party's presentation for a non-offensive defense system, and the dialogue between the Social Democratic Party and SF concerning a possible government coalition of course raise many questions about the breadth of the coming defense compromise. The compromises hitherto have had the nonsocialist parties and the Social Democratic Party as participants. The present 3-year defense compromise expires at the end of 1987, and negotiations regarding a new compromise are expected to be begun in the winter.

Realistic Presentation

The government parties' members of the Folketing Defense Committee and of the so-called 11-man committee which monitors the defense compromise have been

summoned to a meeting with the defense minister at the end of June. The defense minister says the following about the coming defense negotiations:

"The last two defense compromises have to a great extent been characterized by the fact that the defense system which we know today has just been adjusted. With the presentation which can be anticipated from the Social Democratic Party, I think that to a far greater extent there will be need to discuss the armed forces' missions and structure. We have to figure out what we expect of the armed forces and which duties they are to perform. I also think it is necessary that the government parties submit a far more thoroughly prepared proposal for negotiation than in earlier negotiations. Of course, in the government parties we can also not close our eyes to technological developments and the major challenges of the years to come. But with the higher prices in materiel areas and with the high operating costs there are, we must also point out that miracle solutions and fixed ideas cannot serve as a substitute for lacking appropriations. We cannot maintain a Danish defense system at a reasonable level if we think that we can manage it only by banking on the technology we know today and on solutions which do not go well together with solutions which the remaining alliance countries are working for."

"I think that we are at a crossroads in the defense debate. Not only because we are now experiencing a tenuous dialogue between the Social Democratic Party and the SF, but also because we for many years have based ourselves on a defense structure which was good enough but where it has not been possible politically to find the necessary financial resources for following the structure up. For this reason we have drawn it out as far as we have at all been able to do--in the materiel area we have had a long series of service life extensions and reconstruction of older systems in order to try to maintain a reasonable level. But now we are approaching the point where it cannot go on longer."

"At intervals there has been criticism of the nonsocialist parties in the defense debate. It has been claimed that the nonsocialist parties have been set in an old-fashioned perception of the defense system's structure. I do not think this is right; decidedly not. But the criticism calls for an answer, and this answer must be a realistic presentation for the coming defense negotiations. A presentation which has its basis in the budget and in the NATO alliance."

Social Democratic Debate Under Way

The Social Democratic presentation regarding a nonoffensive defense system has been to a first reading in the Social Democratic Folketing group, and it is now to be discussed further at a joint meeting between the Social Democratic Central Committee and the Folketing group on 13 June. Here a decision will be made as to whether the presentation is to be sent out for debate in the party organizations.

The presentation regarding a nonoffensive defense system is a compilation of a proposal by Social Democratic Defense Policy Spokesman Knud Damgaard and

counterproposal to Damgaard's proposal by Ex-Defense-Minister Poul Søgaard. The two proposals were compiled by Folketing Member Karl Hjortnaes, who is also a member of the Social Democratic Party's internal defense committee. Thus Damgaard's proposal came into existence in cooperation with, among others, the former armed forces chief of staff, Colonel G.K. Kristensen, Major J. Graabaek, who is a member of the armed forces' special advisory and analysis panel, Retired Lieutenant Colonel P.Ø. Nielsen, formerly of the Armed Forces Command, and County Burgomaster Ib Vindelev, a former consultant of the army regular personnel organization.

It is no secret that the quarrel within the armed forces' own ranks between G.K. Kristensen and the rest of the armed forces leadership has also been able to be noted in the Social Democratic Party. G.K. Kristensen learned in February 1983 from Defense Minister Hans Engell that his post of many years as armed forces chief of staff would not be extended, and later he joined the Social Democratic Party with a declaration that he was now ready to do a little political work for the Social Democratic Party. There are groups in the Social Democratic Party which support G.K. Kristensen, while other groups do not want to be named as supporters for what is perceived as G.K. Kristensen's clash with the armed forces leadership.

Nonoffensive

In the Social Democratic presentation regarding a nonoffensive defense system it reads that the present armed forces compromise was a first step toward a more nonoffensively structured defense system. In addition it reads:

"Before the defense agreements of 1984 and 1985 the so-called advanced defense system was prioritized highest. This development has stopped and ought in a coming defense compromise to be reversed further and strengthened in the direction of a confidence-creating nonoffensive defense system which will not leave doubts about the Danish people's ability and desire to defend themselves--in cooperation with the other NATO member countries."

Regarding the objective of the Danish defense system it reads: "A nonoffensive defense system is aimed at which is a defense system which by its structure demonstrates peaceful, nonoffensive aims, but which at the same time possesses the ability to inflict decisive losses on an attacker in and from one's own sovereign territory."

The NATO alliance is to be maintained, but "in coming years there will be need for adaptation and development as a consequence of social, economic and technical developments. Such adaptations must take place after a free debate regarding all NATO's activities and in accordance with democratic decisions."

The presentation operates with a so-called integrated service--a uniting of the present three military services, the Home Guard and civilian reserve, and the Civil Defense.

It is, however, decisive to realize that neither the civilian nor military defense system will be able to fulfill their missions satisfactorily without

popular support and the will to--should the occasion arise--suffer privation and make personal sacrifices. The civilian community's will and ability to perform these duties is a decisive factor in the country's total power to resist."

Advanced Defense

The question of the defense of Schleswig-Holstein and the United Command's status is one of the sore points in the defense debate. Regarding land defense, it reads in the debate presentation that the home defense of Jutland and the islands must be strengthened, among other things, via the building up of mobile regular personnel forces for the defense of susceptible areas and especially vulnerable coastal areas, and by a reduction of forces for the defense of Schleswig-Holstein.

"The supplying of reinforcements is a necessity for defense. This holds true also for Denmark and Schleswig-Holstein, where the majority of reinforcement forces must be brought in over Jutland. The protection of susceptible areas must for this reason--evaluated on the basis of military integration considerations in close association with the defense of Schleswig-Holstein--be assigned the highest priority. For this reason our effort in Schleswig-Holstein must be reduced in the years to come. This would not involve the fact that Denmark would lose decisive influence in the command system."

According to the presentation, the land defense system is to be simplified: "The land forces are to be structured as mobile forces which in cooperation with long-range artillery and the air defense system can immediately support the Home Guard's effort against an attacker."

"The land forces--which are to include a considerable regular personnel element--are to be outfitted in accordance with this mission and out of regard for technological developments. High effort preparedness will be thereby ensured. Opportunities for transfer between sections of the country will be improved by the increased use of civilian and allied transport materiel."

In this connection it is suggested, among other things, that the armed forces get influence in the design of the types of ferries which are built for sailing to small Danish islands.

Materiel procurements for the island defense system are to be primarily procurements for the close-range air defense system, for the antitank service, long-range artillery and missile artillery.

Sea Defense and Air Defense

The main mission for the navy will according to the presentation be concentrated on surveillance of and protection of Danish waters "and participation in the nonoffensive defense of Denmark."

"The increased importance of surveillance of our waters justifies that high priority be given to our mine weapons and coastal batteries, which with

modern transport capacity and prepared alternative positions can bring about both high effort readiness and great flexibility. Possible strengthened sea surveillance will be carried out, among other things, with the use of non-military ships."

The air defense of Denmark will be strengthened with emphasis placed on a nonoffensive air defense effort:

"Technological developments have resulted in a growing need for protecting the community and military units against attacks from the air. It is for this reason necessary to continue the development of the nonoffensive air defense system--and for shooting down attack missiles against Danish air bases, etc. At the same time we must ensure for the community and the people as well as military installations and units the least possible vulnerability through passive measures such as mobility, dispersion, decentralization and air-raid shelters."

In the presentation it reads further that the Home Guard's materiel and mobility must be improved and that the need for the Civil Defense's readiness is increasing.

Schleswig-Holstein

Defense Minister Hans Engell says that the government for the time being knows the Social Democratic presentation only through reports in the media, and that it can be counted on that it will be changed in essential points before it is finally submitted.

"But as something positive concerning the presentation it can be said that first and foremost the discussion of future technology is being tackled and that attempts are being made to think along progressive lines."

However, the defense minister thinks that the crux of the Social Democratic presentation is the defense of Schleswig-Holstein:

"It is totally decisive for the government parties that our NATO membership and our participation in the integrated alliance is not affected. I regard it as a cornerstone of our defense policy that one has the combined unit command where Danish and German officers work together and have a common headquarters which is always led by a Danish commander. The moment one suddenly begins to make the land boundary the Danish defense boundary and thereby indirectly says that what happens in the rest of Europe does not interest the Danes, one will really begin to question what is one of the main points of the NATO treaty, i.e., that the alliance's defense is to be seen from the viewpoint of a whole."

"In the whole I regard the question of the advanced defense in Schleswig-Holstein as an essential point. It is my opinion that it is in Denmark's interest that the battle be conducted as far as possible outside Danish territory. In addition there is the fact that the military geographic situation

is such that the areas which are best suited for defense are in a part of Schleswig-Holstein."

Personnel and Reinforcements

Regarding the personnel aspect in the Social Democratic presentation, the defense minister says that the present system in the armed forces with high standing readiness in the air force and navy and a specially well developed warning system is both effective and economically good:

"If this is abandoned and instead a change is made to having a standing reserve, where the peacetime reserve and the wartime force are largely speaking the same, resources will be used wrongly. This will mean that it will be necessary to maintain a larger standing reserve than what we have today, in the army, too."

The defense minister refers also to reinforcement problems with a changed structure in the direction of a nonoffensive defense system:

"Our allies in NATO must have confidence in the fact that if they send several thousand young men to our territory these will also have the ability to be able to fulfill their missions and come to work together with forces that have somewhat the same structure and fight according to somewhat the same principles. If our defense system does not match structurally that of the other alliance countries, I think that this will create considerable reflections concerning the alliance."

8831

CSO: 3613/156

BUNDESWEHR PLANNING PROCESS, MANAGEMENT DESCRIBED

Bonn WEHRTECHNIK in German May 86 pp 36-39

[Article by Col Hans-Christian Hartig: "Bundeswehr Planning--Bundeswehr Plan"; first paragraph is introduction]

[Text] "A bad plan is one which cannot be changed" (Publius Syrus, 1st Century B.C.)

The Bundeswehr plan for 1987--recently presented to the German Bundestag appropriations committee--gave rise to discussions and inquiries by the public as well, as do all Bundeswehr plans. General Staff Col Hans-Christian Hartig, responsible for Bundeswehr planning in the Joint forces Staff, in the following report provides some comments on the Bundeswehr plan, on Bundeswehr planning, and also on fund allocations in order to provide a better factual basis for future discussions.

Planning Is Active, A Plan Is Static

More than anything else is it necessary to pay proper attention to the conceptual difference between "planning" and "plan." "Planning" means to contemplate a goal and conceptually anticipate its realization.(1) Thus, "planning" is an activity; a "plan," on the other hand, is the result of such activity.

This conceptual clarification is especially important because Bundeswehr planning is a dynamic process while the Bundeswehr plan, as the annual documentation of this process, can only reflect the status at a specific moment--like a snapshot.

The Bundeswehr plan is reissued annually and remains valid, even in one change or another has occurred, until the next Bundeswehr plan is presented which represents a reevaluation based on the latest information.

That is, its validity relates less to specific numbers than to trends in setting planning goals which are derived from these numbers and by which the mission of the Bundeswehr is to be accomplished and its future development realized.

Bundeswehr Planning: Threat or Budget Oriented?

The question whether Bundeswehr planning is threat or budget oriented arises repeatedly.

Military requirements of the Bundeswehr are undoubtedly geared primarily to the mission and tasks of the armed forces, both of which are partially derived from threat. However, since such planning rapidly runs into the danger--as shown by the 70's--of deteriorating into unrealistic, if not utopian, wishful thinking, financial limits must be set to which Bundeswehr planning must adhere.

It would be more appropriate to consider the two concepts together and to say that Bundeswehr planning "considers requirements in the context of realistic budgetary constraints."

It follows from this that Bundeswehr planning results, as documented by Bundeswehr plans, must always be viewed as a compromise between:

- defense policy requirements derived from threat as well as requirements based on military-strategic and conceptual considerations (requirements) and
- financial constraints (limits).

In this process the Bundeswehr mission, and consequently the resources required for accomplishing this mission, must obviously receive clear preference.

The fact that Bundeswehr planning is carried out by the Federal Ministry of Defense and not by the Federal Ministry of Finance also explains why Bundeswehr plans basically have the "character of a requirements document."

Goal, Content of Bundeswehr Plans

Bundeswehr plans, generally speaking, represent conclusions of the planning process in the Federal Ministry of Defense; they cannot be compared to such financial documents as the appropriations bill, the budget law, or the financial plan of the federal government.

Bundeswehr plans indicate the type and extent of planned further development of the Bundeswehr. They show structures, personnel strength, materiel unit quantities and cost estimates within the various planning categories(2) in relation to the time period involved. This means that Bundeswehr plans document the anticipated requirements of the armed forces and the Bundeswehr administration for:

- personnel
- operational resources
- defense investment capital.

The requirements appear as expenditures in the budget(3) in separate categories according to:

--operational expenditures including personnel expenses, materiel maintenance and operation, and other operational expenditures

--expenditures relating to military investments including research and development and testing, military installations, other investments.

However, the amounts shown represent cost estimates and not budget appropriations.

The Bundeswehr plan must remain within budgetary constraints for the next 4 years and must adhere to financial guidelines for the following 9 years. The order concerning "Bundeswehr Planning in the Federal Ministry of Defense,"(4) reads verbatim:

"Based on the financial plan, the director of the budget department will define budgetary assumptions for planning corresponding to the time period of the next financial plan and issue planning guidelines for the time period of the following Bundeswehr plan."

The budgetary assumptions and financial guidelines are developed on the basis of the preceding valid financial plan of the federal government, whereas the Bundeswehr plan in turn has a bearing on the subsequent financial plan (Figure 1).

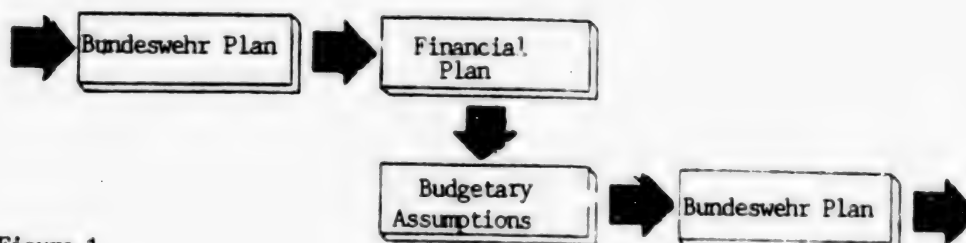


Figure 1

Despite this interaction between the higher-ranking financial planning process, on the one hand, and the departmental planning process on the other, the financial plan of the federal government and the Bundeswehr plan present significant differences, particularly with regard to their nature, the time period involved and their goal orientation:

--The financial plan provides information for the next 4 years concerning which expenditures the federal government will schedule to accomplish its tasks; it is a statement concerning allocation of funds.

--The Bundeswehr plan, on the other hand, consists of internal departmental military planning considerations for the next 13 years and is a statement of requirements.

This process results in an interaction that repeats itself annually: allocation--requirements--allocation--requirements. Meanwhile the defense budget, which is affected by the Bundeswehr plan, is however always in a "state of conflict between military requirements to accomplish the defense mission, and the economic and financial feasibility of funding these requirements which is also defensible from an overall political point of view."(5)

Realization of the Budget/Financial Plan

What happens when the government decides to provide fewer resources for defense in its next financial plan than the estimated costs of the Bundeswehr plan for a comparable period? Is the Bundeswehr then still able to fulfill its mission? Is it not indispensable to accept planning figures on a "one-to-one" basis in the budget/financial plan?

The Bundeswehr plan attempts to calculate planned costs and to estimate the amount of resources that should be made available in order to meet requirements established within a realistic range.

Planning in this process always starts with rather optimistic assumptions with regard to timely realization of planned activities. Early "budget readiness"(6) of the planned activity is assumed, a fact which further emphasizes the previously mentioned nature of the Bundeswehr plan as a statement of requirements. However, when the budget/financial plan is set up, items are deleted, since in the long run the budget/financial plan can only accept that which is actually "budget-ready"; this means that budget resources are allocated for planned activities as a matter of principle only if this planned activity has a high probability of actually becoming an "active item."

Thus, if all planned costs shown by the Bundeswehr plan cannot be provided for by allocation of resources in the budget, it does not mean that urgent requirements are being ignored. The realization of the affected planned activities is only delayed for a number of years, usually because these activities are "not yet ready to be an active item" and, therefore, have not proven to be as urgent as optimistically assumed in the planning process. In these cases the delays are frequently caused by technical-economic considerations.

It follows from this that differences in amounts between Bundeswehr plan requirements and allocations in the financial plan--as long as these remain within acceptable limits--should not be taken too seriously, even though the previously discussed postponement of planned activities to later years will obviously increase the burden for the later planning period.

Price, Cost Increases--Risks

Bundeswehr plans are made in accordance with prevailing prices at the time each financial plan is in effect, because the financial planning parameters are based on them.

In the request which follows the Bundeswehr plan for the next budget/financial plan of the federal government, this price index is maintained for another year; however, the date of the price index is 31 December (Figure 2).

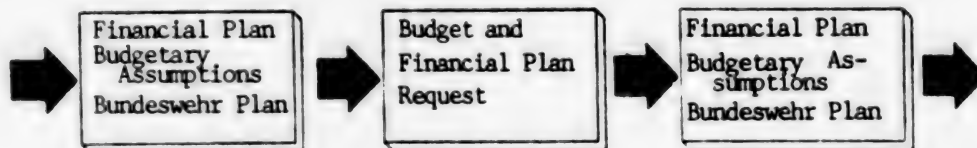


Figure 2

This state of affairs has to be considered when planned costs or budget appropriations are shown and especially when they are compared to each other.

Two price levels define the price increase rate(7) which, as a general published price increase index, constitutes a very general statement that is only useful for very rough estimates. Using it for lump sum computer projections in specific planning and expense categories is just as improper as applying it to specific investment plans.

Detailed considerations make it rather necessary to establish the applicable price increase rates, because these could deviate considerably from the general rate of price increases and also from one another.

Aside from price increases which depend on the national economy, there are frequently increased costs for planned activities--for instance, planned development and procurements--when years may pass from the initial blueprint to the time that delivery is made to the user. Cost increases cannot, however, be totally excluded, and a constant effort must be made to improve cost calculations in the early planning phase in order to avoid the need for future cost corrections as much as possible.

In any case, price and cost increases represent planning risks; demands have therefore been made on the planning process to consider both future price increases and to provide a cushion which can absorb anticipated cost increases.

At first glance, this demand appears to make sense and to be reasonable; however, if planning were to follow it, then price increases and cost overruns could even be triggered. As the proverb says, he who expects something will not be disappointed by his prognosis. Be this as it may, the "inclusion of inflation rates and anticipation of cost overruns" in planning for a period that is several years in the future is pure speculation. It would, therefore, be highly improper to proceed in this manner.(8)

Bundeswehr plans, just like the finance plans of the federal government, are presented with fixed prices. Long-term planning content must be held to an upper budgetary limit which is created by the fact that the last year of the federal financial plan(9) extrapolates only "real zero," that is to say

without any of the increases which could be expected considering the nature of the financial plan.(10)

Such a statement should not be made, however, without the comment that "to plan with fixed prices and with a real-zero extrapolated upper financial limit" also implies the following:

Bundeswehr planning is basically dependent on full adjustment for price increases caused by the national economy due to the annual reassessment process of the federal government's financial planning to obtain in fact the resources which have been identified as budgeted expenses for the long-term period.

If this adjustment is made only partially, then the reassessment process in Bundeswehr planning necessarily leads to the displacement of substantive content, which means that certain planned actions must be postponed to later years, extended over time, or--under the most unfavorable conditions--dropped altogether.

How Are Plan Years Counted?

Bundeswehr plans reflect the planned development of the Bundeswehr for a 15-year period; however, in this process:

- the 1st year is identical with the current fiscal year
- the 2d year is identical with the year of the budget estimate (Figure 3).

Planning years

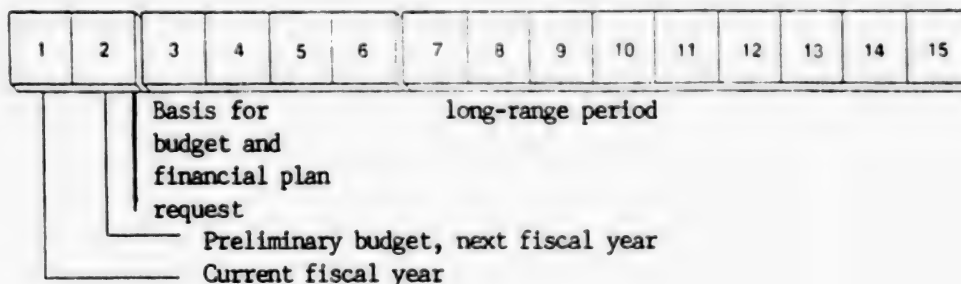


Figure 3

The 3d plan year is, therefore, the first real plan year and the Bundeswehr plan is always designated by that year.

The purpose of the results of plan years 3 to 6 is to influence the upcoming budget and the upcoming financial plan of the federal government. "Long-term" planning begins with the 7th planning-year.

Thus, Bundeswehr plans encompass 13 future-oriented plan years: Bundeswehr plan 87, for instance, extends from 1987 (3d plan year) to 1999 (15th plan year).

The results of Bundeswehr planning need to be adequately explained lest misinterpretations, and at times even dangerous miscalculations, occur.

Some examples:

--Total cost for personnel consist of wage/salary costs and so-called secondary personnel costs. The former are identified in the Bundeswehr plan as well as in the budget as "personnel expenditures, primary category 4;"(11) the latter, however, are included in "other operational expenses." Moreover, when listing personnel expenses it is important to note whether the sum in question does or does not include so-called personnel reinforcement resources, which are added later to the defense budget in accordance with individual plan 60 of the federal budget and which correspond to the contracts negotiated during the annual wage discussions (collective bargaining). The sums involved may amount to several hundred million.(12)

--When considering the planning results relating to "materiel maintenance and operations," the concept "operations" is often defined much too broadly. In fact, the operations of the Bundeswehr per se are not involved, merely the operation of air fields, harbor installations, depots and other supply installations. The cost of actual operations--e.g., for training, maneuvers, fuels, building maintenance, property management and buildings--are included among "other operational expenses."

--When considering the expenditure category "research, development and testing," it is important to know the structure of this planning and expenditure category lest miscalculations result. The category "research, development and testing," in broad outlines, is structured basically as follows:

--research outside of military technology	4.1 percent
--military technology	8 percent
--technology activities	20-25 percent
--operation research	2 percent
--weapon systems and equipment development	60-70 percent.

These figures are always related to the total planned costs (100 percent) of this expense category.(13)

--With regard to the procurement of weapon systems and equipment, reference is made both to "materiel investments" as well as "military procurements." Both concepts appear to cover the same ground. However, "military procurements" include, for instance, costs for training ammunition; "materiel investments," on the other hand, do not. The substance of both concepts may, therefore, differ by half a billion or more.

Different sums are also obtained when comparing planning conclusions with budget appropriations, depending on whether the comparison is made with the draft, the target or, finally, the actual budget line item.(14)

Long-Term Planning: Vulnerable but Necessary

Plans which extend more than 10 years into the future are naturally largely dependent on assumptions and estimates. To that extent, they are vulnerable; on the other hand, one cannot do without them since current political and technological circumstances are such that short-term response times to future developments are no longer adequate and it is becoming increasingly more important to prepare rather early for potential risks.

It is obvious that such planning conclusions, which have been revised repeatedly over the years before being finalized as assumptions and estimates, could be replaced to an ever greater extent by facts and actual calculations.

For that reason, planning results--particularly of long-term planning--can only be measured by the degree of probability of their underlying initial values. As unsatisfactory as planning results may be, they always indicate where and how changes and improvements can and must be made. For that reason alone they are indispensable for the future planning process, the basic function of which is to constantly reassess planning results from Bundeswehr plan to Bundeswehr plan, to adjust them in line with changed assumptions and new circumstances, and to shape all parts into a whole that is as harmonious, balanced and self-contained as possible. This planning process is primarily concerned with long-term periods.

Concluding Comments

These comments could by no means include and treat all the basic reasons for misunderstandings and misinterpretations when results of Bundeswehr planning are being discussed.

Some other reasons can be found in:

--the difference between defense budget (individual plan 14) and defense expenditure in accordance with NATO criteria

--planning with alternatives

--comparing costs of modern and older weapon systems (e.g., TORNADO and STARFIGHTER)

All-inclusiveness was not, however, the goal of this article. Its purpose was rather to direct attention to overall problems on the basis of selected examples, some of which have fundamental significance, and to warn against hasty conclusions when judging Bundeswehr planning and thereby contribute to a better understanding of the planning process.

FOOTNOTES

1. "Brockhaus Encyclopedia," Wiesbaden, F.A. Brockhaus, Vol 14, 1972, p 658.
2. Planning categories are: organization, personnel, operations (including training, infrastructure), materiel investments (including research and development).
3. See also: Paul-Heinz Firmenich, "Die Abteilung Haushalt" [The Budget Department] in WEHRTECHNIK No 3, 1983, pp 20 ff.
4. Decree on "Bundeswehr Planning in the Federal Ministry of Defense", Federal Minister of Defense, FUS VI 1. Az 09-01-20 of 15 Sep 83.
5. "Der Verteidigungshaushalt 1984 (Entwurf) Erläuterungen und Vergleiche" [Defense Budget for 1984: Explanations and Comparisons], Federal Minister of Defense, 5 Sep 83.
6. "Haushaltsreife" [readiness to be included in the budget] and "Kassenwirksamkeit" [readiness to become a line item] means that there actually is funding authority in the corresponding federal budget (individual plan 14) for the intended activity in accordance with legal budgetary principles.
7. Related concepts are: cost-of-living index, inflation rate, deflator.
8. See also "Law for the Promotion of Stability and Growth of the Economy" of 8 Jun 86.
9. For example, the last year of the federal financial plan for the 18th financial plan was 1988; for the currently operative 19th financial plan, 1989.
10. The average rate of increase in the 19th financial plan was about 1.9 percent from one year to the next.
11. "Individual plan 14 consists of a total of 22 chapters. Each chapter in turn is divided into items, a structure which applies to all individual plans whereby the first number of the title represents the primary category, the second the major category and the third identifies the specific category." Firmenich, op. cit., p 29.
12. The 1986 budget contains about DM560 million for salary increases (personnel reinforcement resources for individual plan 14).
13. The 1986 defense budget provides about DM2.6 billion for research, development and testing.
14. The 1984 defense budget, for instance, was set at DM48.03 billion in the draft, at DM47.85 billion on the debit side, and DM47.75 billion on the credit side.

12628/9312
CSO: 3620/708

FRG LEADS IN NATO DEVELOPMENT OF ANTI-RADAR MINIDRONE

Bonn WEHRTECHNIK in German May 1986 pp 91-92

[Article by Erhard Heckmann: "Anti-Radar Minidrone"; first paragraph is WEHRTECHNIK introduction]

[Text] In 1976 the TaF was established for the anti-radar minidrone, which at this time was the basis of the German-American LOCUST program but which was subsequently abandoned due to various reasons (lack of sufficient funding). However the TaF has continued to operate but has adapted to changing military threats. The anti-radar minidrone is intended to shut down enemy air defense radar and to thus facilitate successful aerial attack. This is more or less the objective of the USAF WILD WEASEL (F-4 with interference and air-to-ground weaponry), which operates without intruding on aerial operations. For this reason the drones have been assigned two equally weighted tasks: attack and destruction of the target and also to compel the enemy to shut down their radar because of the presence of the minidrones.

The FRG's programs are probably the most advanced in NATO, although similar programs exist or have existed in other countries, such as Great Britain, Israel and the United States. However, at present FRG is not inclined to establish governmental ties of this type with these countries because it wishes to maintain its role as a producer during this current defining phase of development. All three teams have their own responsibilities during the weeks of this early defining phase:

--BGT with Boeing using the Boeing small flying instrument BRAVE 210 PAVE PANTHER (BGT designation Hornet) and the tested Texas Instruments (TI) seeking device built into it.

--Dornier, with its own delta winged small flying instrument and a narrow band seeking device developed from Israeli aircraft, or also with the TI device.

--MBB with its more sophisticated cross-winged small flying instrument from the TUCAN experimental program and with the seeking device derived from the anti-radar weapon ALARM, but which could also accept the Texas Instruments seeking device.

An MoU with Israel would signify a prior decision for Dornier, and one with Great Britain would indicate deciding in favor of MBB. However, the competing firms must maintain amicable relations at least during this determination period and until such time as the developmental phase is lead by a single team. The projected time frame envisions the beginning of the complete development in 1987 and operational readiness for the beginning of the 1990s.

On the American side, the USAF PAVE TIGER/PAVE PANTHER programs (both Boeing) were discontinued due to congressional pressure because these systems could not be developed within two years. It was found that the greatest difficulties centered on integrating the seeking device in the drone.

The Israelis did not receive their seeking device technology from the Americans and thus were compelled to develop their own narrow band seeking instrument. This was done by a division of IAI. The Israeli anti-radar drone is currently undergoing testing.

The British have at this time an Air Staff Target (AST 1221), and thus not yet a staff requirement. A drone system will probably be introduced toward the mid-1990s. At present the British defense ministry is engaged in determining combat readiness standards, and industry has not yet been approached and no developmental phase has yet begun. The government apparently prefers instituting a cooperative project with the Germans. Thus some British firms have already approached German ones in order to establish rapport with the anti-radar minidrone in the hopes that German military standards will be used to formulate the (air) staff requirement in some form or other. It appears that Marconi, Flight Refueling, British Aerospace and other British RPV producers will be looking for German partners. On the other hand, MBB also opted for Anglo-German cooperation in the development of the Marconi seeking device.

This small drone is intended to attack air defense installations some 80-100km behind the front. This instrument is estimated to measure $2m^2$ with a takeoff weight of 100kg. The flight path, possibly including waypoints, is programmed shortly before takeoff. The drone then flies to the target area and can remain in the area up to an hour. Flight apparatus is laid out like munitions, i.e., they are delivered in locked containers and are fueled and programmed for the target area shortly before takeoff. The drone is also equipped with a self destruct device, which can be triggered if it fails to locate the target. The drone then destroys itself in the air so that the enemy is unable to use it for investigating its technology.

As a result of the twofold task of destruction of the target and to compel the enemy to shut off its radar, the IABG is currently investigating whether the drone should be equipped with a transmitter or with a Luneberg lens or a transponder so that it can indeed be detected by the enemy. This would force the enemy to deploy costly flight equipment against the drone or to shut down its radar facilities being targeted by the drone, thus achieving the objective of suppressing enemy air defense capabilities for its own aircraft during the time of a drone flight.

The seeking devices for the small drone anti-radar need not be as complex as, for example, those devices in the anti-radar projectiles HARM or ALARM, because they are not borne at supersonic speeds, which require very rapid decisions, but rather are transported at relatively slow velocities (approximately 200km/hr). This reduces the cost of the seeking device by practically one order of magnitude. The seeking head is developed for broad band use and is intended to be capable of attacking the most desirable of the targets. The relationship between warhead effectiveness and target accuracy must also be equalized (optimized). The warhead should be capable of damaging the target sufficiently to put it out of working commission. Highly accurate drones require thus only a single small warhead, while a heavier one would be utilized when less accuracy is required. Studies of this nature are presently being conducted in this initial research stage.

One can realistically estimate the small drone anti-radar system cost at approximately 300,000 DM, of which 250,000 DM are used for the flight mechanism. It is estimated that the air force will require several thousand units. These small flight projectiles, armed with different seeking heads and warheads, could conceivably be utilized as armor defense drones as well, and this would mean that several thousand more could be added to the arsenal.

13225/9835

CSO: 3620/705

ADDITIONAL DETAILS ON HELSINKI-CLASS MISSILE BOAT KOTKA

Helsinki HUFVUDSTADSBLADET in Swedish 17 Jun 86 p 16

[Article by Thure Malmberg: "'Our Missile Armament Is one of the World's Best'"]

[Text] "The missile armament we have is among the best in the world. The Swedish manufacturers maintain that our missiles are better than Exocet and practically think for themselves." said RADM Juha Tikka to HUFVUDSTADSBLADET on Monday, when he accepted the fourth and presently last unit of the Helsinki class.

The new missile boat delivered by Wartsila's Helsinki shipyard was christened the "Kotka" by Mrs Anniki Hiltunen during a brief ceremony at the shipyard at Sandviken.

Immediately afterward the guests invited to the christening boarded the ice breaker "Urho," in order to witness the actual commissioning ceremony at sea between Grahara and Helsinki caisson.

There, the new "Kotka" demonstrated some of her impressive speed when the missile boat, together with its sister ships "Helsinki" and "Oulu", gave a performance.

"These boats can make about 30 knots," said Rear Admiral Tikka, who did not reveal the exact speed, however.

Speed is important for the "Kotka's" combat and patrol service, but even more expensive is the electronic equipment and armament.

"We were able to stay within just one percent of the 580-million-mark budget we were allocated in 1982 for the four new missile boats. First the 'Helsinki', which was a prototype, was built and then the 'Turku', 'Oulu' and now 'Kotka' were delivered. All come from Wartsila's Helsinki shipyard," Rear Admiral Tikka said.

"The armament costs more than the actual ship construction. Sweden is responsible for nearly the entire weapons delivery with a Bofors 57 mm general purpose gun, Swedish Philips' fire control system and Bofors-Saab's RBS 15 SF missiles specially developed for Finnish conditions."

"From Norway comes the Shimrad submarine surveillance system. These boats can monitor submarines, but in contrast to the corresponding Swedish units they do not have the same capability of destroying submarines. We only have depth charges for antisubmarine warfare, and their effect today is debatable."

"Despite the fact that the missile system is imported, I believe that today we would be able to build these missiles in Finland as well. We have the know-how, but it would not, on the other hand, be profitable to develop such small series as we need. The missiles cost several million marks a piece," Rear Admiral Tikka says.

The construction price for the "Kotka" is said to be about 70 million marks. In wartime service her armament includes 8 missiles per boat; in normal peacetime only two training missiles have been adapted. The length of the boat is about 45 m and the width about 9 m.

The new missile boats have a crew of 30, 9 of whom are enlisted and the remainder recruits. According to Rear Admiral Tikka the Navy has no difficulty getting good people; the problem is rather that there are too few slots.

"The Helsinki-class boats will be in active service as late as the next century. Warships are expected to have a considerably longer life than merchant vessels, and in principle it is conceivable that the boats will be thoroughly modernized at least once after about 12-15 years."

"In view of the fact that the oldest patrol boats in the naval forces--the so-called R class--were built in 1957, and that the Nuoli class is also beginning to get old, we should absolutely order a continuation of the Helsinki class."

"Construction time is long, 3-5 years, due to, among other things, the subcontractors. For the 1990's we would need a new Helsinki flotilla of four boats, perhaps stationed in Orrnas as an alternative to the present base at Pansio," Rear Admiral Tikka said.

11949

CSO: 3650/249

ADDITIONAL DETAILS ON PURCHASE OF SAAB-SCANIA TRUCKS

Oslo AFTENPOSTEN in Norwegian 12 Jun 86 p 47

[Article by Lars Ditlev Hansen: "Saab-Scania's Contract With Norwegian Armed Forces: Repurchase For 800 Million"]

[Text] When the Armed Forces go abroad to buy material, this often carries with it repurchase agreements of major significance to Norwegian industry. Yesterday the Army's Procurements Office signed a contract with Saab-Scania for the purchase of 1,600 trucks worth 950 million kroner. In return the Swedish company will do approximately 800 million kroner worth of business with Norwegian industry. The agreement affects approximately 30 Norwegian firms and covers both the purchase of products and cooperation in research. In addition Saab-Scania will open an automobile cable factory with 50 to 100 employees in Norway.

In the protocol on industrial cooperation between Saab-Scania and Norwegian firms which was signed at the same time as the armed forces contract there are agreements for, among others, the Kongsberg Arms Factory, Raufoss Ammunition Factories, Ardal and Sunndal Works (all well established as suppliers of car parts), Electric Bureau, Fibro and Simrad. Bertil Krook, Saab-Scania's vice administrative director, told AFTENPOSTEN that the Swedish company will undertake cooperative research into new alloys and production techniques with Kongsberg, Raufoss and Ardal and Sunndal Works. The reasons for this research is that it has become increasingly more important to reduce the weight of materials.

More Research

The industrial protocol sets aside for repurchase an amount equivalent to the value of the 1.600 trucks, though without value-added tax. The size of the repurchase agreement with Norway is about what is usual in such contracts, Krook said.

"But this agreement contains many more research projects than we have had in earlier repurchase agreements. We believe this will open up prospects for long-term cooperation with Norwegian firms, and I think we will find solutions which are good both for the Norwegian firms and for us," Krook said, pointing out that several of the industrial agreements had been made on their own without the Armed Forces' contract.

The industrial agreement will affect all parts of the concern's high tech activities--airplanes, space work, robot production and cars, he stated. He sees good prospects for cooperation on space work with the Kongsberg Arms Factory, for example, when Norway joins in European space cooperation.

Development Prospects

Krook declined to say which of the industrial cooperation agreements he considers to be the most profitable to Norwegian industry. "We have not set price tags on the agreements. I think the most important thing is that Norwegian industry will be connected to all of our activities and that this will provide development prospects which are worth much more than the amount of the repurchase agreement."

The industrial protocol also calls for Saab-Scania to set up a factory in Norway for the production of automobile cables. The factory is to be put up within the next year and will have 50 to 100 employees. Where the factory will be built has not yet been declined, Krook said.

Saab-Scania fought for the contract for many years, first against 13 different producers, later against only 3, and at the last stage the competition was with Daimler-Benz. As far as AFTENPOSTEN has ascertained, there were no major price differences between the producers, but it is clear that the industrial cooperation agreements have had a certain political significance.

50-60-Year-Old Cars

The 1,600 Swedish trucks will replace the Army's oldest trucks. When the last trucks are delivered in 1994, the oldest will be between 50 and 60 years old, Major General Karstein Kristiansen observed when the contract was signed. The procedure for replacing the vehicles, which Norway got for free from the Americans in the early 50's, has been a very long one. Kristiansen stated that, in choosing the vehicles' successors, the Army has emphasized its wish to find a supplier for each and every vehicle regardless of size, and that the supplier have a well developed non-military service network in Norway.

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SUBMARINE HUNTS IN VIDINGEFJARDEN, NEAR GOTLAND

Paper Lauds 'Intensive' Action

Stockholm SVENSKA DAGBLADET in Swedish 9 Jun 86 p 2

[Editorial: "Threat to our Independence"]

[Text] Once again, the navy has conducted an intensive submarine hunt. The recent operation was conducted in Vidingefjarden in the Stockholm Archipelago.

A large area south of the Soderarm Military Region was blocked off. Indications of submarine activity were seen on Wednesday. Antisubmarine grenades and depth charges were used repeatedly on Saturday.

It is a virtual certainty that, once again, Sweden has been the victim of serious submarine intrusions. Thus, there are no indications that Prime Minister Ingvar Carlsson's visit to Moscow has made the Soviet Union and the Warsaw Pact stop violating our borders. On the contrary, there are clear indications of the opposite.

This underlines the simple fact that if our boundaries cannot be secured by military means, then political means are also insufficient. Sweden cannot fail to draw the military conclusions of this situation.

We are subjected to purposeful penetration by a potential military enemy. We have evidence of this. The grounding of the U-137 near Karlskrona, the events in Harsfjarden, and the activities of Polish picture sellers are evidence that follows a similar pattern. The Soviet Union and other Warsaw Pact countries are planning acts of sabotage against military facilities and military personnel. The goal is to facilitate an outright attack against Sweden.

With the possible exception of Japan, Sweden has been forced to hunt submarines more often and more intensely than any other country in the world. This is necessary to protect Sweden from violations of its territory. This indicates that we are more vulnerable than other countries, in part because of our geographic location and in part because the planning of the Soviet superpower clearly includes Sweden as a probable theater of war.

Japan's experience is one of many confirmations from other countries of the difficulty involved in forcing a submarine to the surface. At the same time, it must be said that we have extensive documentation on the violations and irrefutable proof of their occurrence and, in many cases, of the identity of the perpetrator.

But the Soviet Union will not voluntarily stop its plans for sabotage. Soviet representatives must be forced into this position by making the intrusions cost more than they are worth. The grounding of the U-137 was obviously not disgraceful enough to make the Soviet Union refrain from such operations.

As a result, Sweden, through its own efforts, must force the Warsaw Pact to revise its risk calculations. This means that the navy must capture a submarine, either by sinking it or forcing it to the surface.

Beginning now, this must be an operative goal of the highest priority. Our ability to protect our boundaries and to prevent at least purely military preparations within our own territory for an attack against Sweden is a fundamental prerequisite for credibility in our security and neutrality policies.

The submarine hunt can be compared to the hunt for Olof Palme's murderer. The unqualified operative goal for the police is to capture the murderer and bring him to justice. The unqualified operative goal of the Swedish military is to catch in the act those who are preparing for a military attack against Sweden.

The difference between the hunt for the murderer and the hunt for the submarines is that, in the latter case, we know who the guilty party is, but we need more clear evidence of the type offered by the U-137 when it ran aground on the rocks of Gasefjarden.

Sweden is being penetrated by Soviet military units. Picture sellers are sent from Poland to make preparations for the murder of our fighter pilots. The overall picture is clear. It is a matter of de facto planning for war, which is far more serious than ordinary espionage.

This has given our security situation a new and more serious dimension which, in turn, requires that more information be given to the public. Ultimately, security and defense policy is shaped by the citizens. As a result, they must have knowledge of Sweden's security status.

For SVENSKA DAGBLADET, information on events that are relevant to our defense and security policy are a journalistic imperative. Therefore, with more consistency than any other member of the media, we have told our readers about both the individual events and the overall picture of the new situation.

According to all indications, the submarine hunt in Vidingefjarden will be without results, although it will not be without evidence. On the other hand, it is and will continue to be a challenge to renew our efforts to capture those who are making a direct and ruthless threat against our independence.

Suspected Submarine Off Gotland

Stockholm DAGENS NYHETER in Swedish 16 Jun 86 p 6

[Article: "New Submarine Hunt near Gotland"]

[Text] On Sunday the military on Gotland conducted an extensive search in the area between Gotland and the islands of Stora Karlso and Lilla Karlso. This occurred following a reported sighting of a submarine in that area.

"A reliable source observed something we believe we should investigate," the military in Visby stated in its brief comments.

The observations were made at lunchtime and the military began investigating immediately. Normally, an investigation will begin that quickly only if the source is close to the military.

It is probable that the observation was made by a coastal patrol boat. Delegates from the Stockholm Conference were visiting the Karlso Islands on Sunday and they were escorted by coastal patrol boats.

The military does not wish to speculate over exactly what was seen, but maneuvers are now underway northwest of Gotska Sandon, in which West German submarines and other vessels are participating.

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AIR COMBAT CONTROL CENTERS ADDED TO STRIL 90 SYSTEM

Stockholm FLYGVAPENNYTT in Swedish No 2, [no date given], pp 4-9

[Article by Lt Col Mats Bjorling: "Stril 90; the Air Force's New Tactical and Air Defense Control System"]

[Text] The Supreme Commander's level of defense is necessary!--The Stril 90 design described below is part of the present plans for the Supreme Commander's 1985 program plan level and for higher planning levels.

It is likely to be necessary for an attacker to limit the effects of our air defense in the initial phase. If the attacker finds it necessary to attack the Stril [Swedish Tactical and Air Defence Control] system in order to reduce the power of the air defense, he will try to do so. A reduction of the power of the Stril system will result in poor monitoring and control of the air space. The attacker will thus reduce his aircraft losses. When the power of our air defense is reduced, it also means increased opportunities for the attacker freely to utilize his airborne forces.

No early warning--A reduction in the effect of the Stril system also means that when our armed forces and the civilian population most need the early warning, they cannot get it. The total defense therefore has to function under heavy aircraft pressure and without early warning. The consequences of this are obvious. As examples may be mentioned:

--How do Army units carry out regrouping without air defense information?

--How will it be possible to alert the civilian population without basic air situation data?

--How will important wartime production be affected, when there are constant risks of attacks without early warning?

The Stril system is of very great importance for the total defense. The capability of optimally commanding the aircraft and air defense units may become decisive for the outcome of an attack against our country. An adapted investment in the Stril system appears as very urgent since, in addition to

fighter and air defense command, the need to protect armed forces and population through early warning will remain undiminished.

The greater part of today's materiel at the Air Force's Stril centers will have reached the end of its technological life by the end of the 1980's. This will largely coincide with the fact that new types of data sources as well as changes in coordinating systems will require adaptation measures to such an extent that replacement of the materiel will become necessary. Thus, it is not possible merely to modify Stril 60. New technology and new functions provide increased effectiveness for the Stril system. New technology also means improved opportunities for meeting new tactical demands in the future.

Studies of the future shape of the Stril system have been continuously conducted since the end of the 1960's. The result of the studies, together with other tactical and technical demands, result in an altered structure for the Air Force's future Stril system in comparison with Stril 60. For this reason the concept "Stril center materiel replacement" has been abandoned, since the aim is to build up an entirely new Stril system--Stril 90--with new air defense centers etc.--Strilc 90.

The governing factors for the final form have been the tasks which the Stril system must perform in the future and the threat environment in which the system has to function.

The duties of the Stril system remain unchanged and are:

- Meeting the demands of the fighter units for early warning and command.
- Air defence control.
- Monitoring other aircraft systems.
- Emergency warning command.
- Air defense command.
- Air defense information (lufor).
- Base alarm announcements.

Beyond these wartime duties, the Stril system in peacetime has extensive duties regarding air defense and tactical control for our incident preparedness.

Threat Picture

In recent years the major powers have strongly increased their capacity for offensive airborne warfare and for transportation of troops and materiel by air. New aircraft and helicopters have been introduced with considerably greater cargo capability and range. The number of airborne units for offensive warfare has increased, in particular in the East. The increase has taken place largely by giving formerly defensively oriented units offensive duties instead.

In the event of war, an attacker's airborne forces and airborne landing capacity will constitute a major threat to Sweden. There is risk that serious

damage will be inflicted on our population and our civilian society, and the fixed installations of the total defense become desirable targets. Our mobilization can become exposed to combat through air attacks and attacks from air-landed troops, and our command organization, as well as our armed forces on land, at sea and in the air will become important targets.

One conclusion, which must be drawn from the abovementioned threat picture, is that it is more important than ever for Sweden to have a strong air defense.

In order to be able to meet the threat, active air defense components are needed, such as fighters and antiaircraft defense. The fighter units thereby represent the most important component because of their mobility across the surface with rapid rustering of strength and great fire power. It is necessary for the fighter system to be of high quality in order to achieve success in one-on-one situations. It is just as important, however, that the quantity is sufficiently large in order to be able to cover our entire long country, and that it has endurance.

Similarly, the Stril system must be balanced in order to be able to complete its duties across the entire country both initially and after combat. The system must have endurance and be flexible.

The Building of the Stril 90 System Has Already Begun

The development of the high-altitude radar has progressed furthest. The PS-860 chain is almost completed. The radar station has very good performance characteristics, even in a jammed environment, with a range of about 300 kilometers. It can also be protected against attacks.

In order to achieve low-altitude coverage, a similar chain is being procured using the PS-870 low-altitude radar. This station as well is jam-proof and resistant to combat. The range is about 100 kilometers.

However, the largest future project is Strilc 90--the tactical and air defense centers of the 1990's.

Strilc 90. Command and tactical command in the present Stril system can be said to take place at two levels:

- A command level, where tactical command takes place and information is given.
- A tactical level, where gathering and air combat command takes place.

In the present system the functions of the command level are carried out at the air defense center (lfc). The duties of the tactical level can be carried out both at the air defense center (type 1) and at a radar group center (rrgc).

In the new system both levels will remain functionally and organizationally in the form of a command unit (LE), a reduced command unit (redLE) and a tactical

command unit (SE). The three types of units are defined according to the following:

Command unit, LE: The overall command over the sector's allotted Stril and fighter units is carried out from LE. Further, certain other air units and air defenses are commanded from there. The information-giving task of the sector in the form of air combat order transmission, air defense order transmission, sector reporting and alert activity is controlled from the LE.

Reduced command unit, redLE: Reduced LE means a command unit which is limited as regards function and capacity.

Tactical command unit, SE: The SE undertakes target tracking, tactical control, air traffic control and control of optical air surveillance.

Stril centers of varying capacity can be created by various combinations of the LE, redLE and SE modules.

The project includes all LE, redLE and SE materiel, as well as capabilities at the centers for:

- data processing
- presentation
- communications as far as the outer points of the centers.

The new centers will also meet the need for basic and advanced training within the Stril system. This is why the present training facility at F18 is being dismantled and the new centers being made operational. In order to cope with that task, the training and simulation functions will be integrated at each Stril center.

In comparison with Stril 60, Stril 90 will result in reduced operational and maintenance costs primarily because of rationalizations in the peacetime activity. The number of simultaneously utilized facilities for peacetime production and incident preparedness will be minimized.

Uniformly constructed Stril centers across the country will also mean reduced costs for training of tactical and technical personnel.

Technical Policy

Strilc 90 will be taken into operation during the 1990's. Of overwhelming importance is the requirement that the system should have a very long lifetime (at least 20 years), low lifetime cost and demand a minimum of technicians for operation and maintenance. The long lifespan will surely mean that the system will need to be modified and modernized several times during its life. Methods and aids (so-called tools) which are required for making such changes will therefore be built into the system.

These overall requirements are satisfied by making the system into a modular system, in which the interfaces between the modules connect to generally accepted standards. This, in combination with the demand for a high-level language, preferably Ada, is intended to make possible utilization of existing standard products in the form of software and application programs, as well as hardware to a large extent.

The system will also fulfill the security requirements imposed by SAKDATA 85. This will affect the technical solution.

Interfacing

In working on the specifications for Strilc 90, the possibility of cooperating and communicating with the other systems within both the Air Force and other parts of the general defense was taken into account.

In so doing the JAS 39 Gripen aircraft system poses new and dimensioning requirements on the Stril system. In comparison with the present aircraft system 37 Viggen, the exchange of data between the ground and the aircraft in its fighter, reconnaissance and attack role will increase substantially.

This applies both to data transmission of information from Stril to aircraft and the reverse. The information is to be received, processed and presented in the Stril system.

In certain cases the Stril system will take care of passing on the information to other interested parties, such as a sector staff. At the same time Strilc 90 must gather information from other systems. One precondition for a smooth exchange of information is that the development takes place according to joint standards. Measures have been undertaken in order to coordinate the development of the information system within the Air Force.

The Defense Materiel Agency (FMV) is working on the development of an airborne radar for monitoring the air space and sea and, to some extent, the ground. The radar, called PS-890, will considerably improve our low-altitude coverage and endurance. By the fact that the system is airborne it becomes flexible and can rapidly be employed where it is best needed.

The system being studied consists of a small turboprop aircraft with an oblong antenna mounted on top. The antenna will be electrically controlled. This enables it to scan a broad sector perpendicular to the direction. The radar will be included as a sensor in the ordinary Stril system. The information will be transmitted to one of the SE units for further processing and integration with other air situation data.

The Stril system will also be supplemented by passive measurement systems. The old optical air reconnaissance system will be retained and modernized. At the Strilc 90 center, optical situation information is overlaid onto an air situation indicator integrated with other information.

Already acquired mobile radar group centers (see below) represent a component of Strilc 90, which provides the system with greater capacity and reduced vulnerability.

Construction Activity, Installation and Commissioning

The expansion of the Strilc 90 centers will take place in the early and mid-1990's. The work at each center will include fortification measures, teletechnical installation as well as testing and commissioning of the installed materiel. Depending on the facility, the fortification aspect of the rebuilding will be more or less extensive.

The test phase for each facility is comparatively brief and includes primarily tests in combination with actual operational systems. In order to stay within the narrow time frame, it is required that there be extensive testing and test operation of the system even before installation.

During the conversion period, major demands for retained tactical operation are called for. This can be achieved through modern technology and certain adjustment measures.

Specifications

Development funds for the Strilc 90 project have been included in the plans since 1982 and in series procurements from 1987. The magnitude of the project means that the government's permission is required--both before starting development (step 1) and before serial acquisition (step 2). The administration gave its consent to step 1 in the summer of 1982. In this connection a project organization was formed, which is responsible for planning, procurement and commissioning Strilc 90. Representatives of the Air Force, the Royal Swedish Fortifications Administration and the Defense Materiel Agency are included in this project organization.

Intensive specification work has been under way since then. At most, about 50 people from the Air Force, Defense Materiel Agency, industrial and consulting companies were involved. From the Air Force about 20 tacticians from various Stril units participated for about 3 years, using their own experience in drawing up the specifications for the tactical functions and requirements.

The results of the specification work have now been compiled and represent a good foundation for the imminent procurement.

In certain cases a function has been specified with a high level of detail. This applies to the tactical, target-tracking and radar control function, for example, where through our own product development we have arrived at a suitable form and function. In other instances plenty of room has been left to the supplier himself to propose form and function.

Procurement

During the course of the work it was presumed that Strilc 90 should be procured in a competitive situation.

However, in January 1986 a government decision was made that negotiations about procurement of Strilc 90 may only take place with a Swedish prime contractor. The assumption for this is, however, that it is possible to assure fixed conditions with regard to the content, financing and time frame of the project. This change does not affect the time planning.

According to the present plans, the decision will be taken in the spring of 1987, when the contract with the principal contractor will be signed.

Mobile Radar Group Center

During September 1985 the first mobile radar group center, rrgc/T, was delivered to the Air Force. It will be used in sector NN in order to form a resource for unit production, among other things. During the past 6 months additional such units have been delivered to the Air Force.

The rrgc/T consists of a telecommunications room and up to three indicator rooms. The function resembles that of a fixed radar group center (rrgc/F). However, the two types of centers should not be equated. The mobile centers are served by a Stril platoon. Normally, the mobile centers are coordinated with PS-860 in order to get a locally connected radar. Several radar stations of other types are also connected.

The mobile radar group center has a long development phase behind it. Things have not progressed entirely without problems; there were many pitfalls. But with major effort the Defense Materiel Agency has managed to develop our product--longed for for years.

We in the Air Force have looked forward to the mobile radar group center and now it is here. The technology is new and a major training phase will begin in order to make the radar center efficient in peace- and wartime. As always when new systems are introduced, it is necessary to give man and machine a chance, and to hasten slowly. This also means that the mobilization demands will be balanced against the training and development needs.

With the mobile radar group centers the step has been taken into Stril 90 together with the new, protective-mobile high-altitude radar PS-860, the final delivery of which will soon be accomplished. Stril 90 will not be complete until the remaining Stril centers, as well as PS-870 (the low-altitude radar) and PS-890 (airborne radar), have been added in a few years.

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